

LEGISLATIVE COMMITTEE MINUTES

SB208

Bill as
Introduced

SB 208 - AS INTRODUCED

2022 SESSION

22-2933
11/05

SENATE BILL **208**

AN ACT relative to life insurance.

SPONSORS: Sen. Cavanaugh, Dist 16; Sen. Bradley, Dist 3; Rep. Hunt, Ches. 11; Rep. Abel,
Graf. 13

COMMITTEE: Commerce

ANALYSIS

This bill repeals and reenacts RSA 408 relative to life insurance.

This bill is a request of the insurance department.

Explanation: Matter added to current law appears in ***bold italics***.
Matter removed from current law appears [~~in brackets and struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to life insurance.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Life Insurance. RSA 408 is repealed and reenacted to read as follows:

2 CHAPTER 408

3 LIFE INSURANCE

4 General Requirements

5 408:1 Power of Commissioner. Notwithstanding any other provision of law, the commissioner
6 shall have sole authority to regulate the issuance and sale of life insurance, annuities, and variable
7 products thereof. The commissioner may adopt rules as necessary to implement the provisions of
8 this chapter. The commissioner may promulgate rules relating to protecting against the exploitation
9 of the elderly and in home solicitation for life insurance policies and annuity contracts.

10 408:2 Certificate of Authority. No person may issue a life insurance policy or annuity contract
11 without first obtaining a certificate of authority from the commissioner.

12 408:3 Insurable Interest.

13 I. For the purpose of life insurance and annuities:

14 (a) An individual has an unlimited insurable interest in his or her own life, body, and
15 health, and may lawfully take out a policy of insurance on his or her own life, body, and health, and
16 have the policy made payable to whomsoever he or she pleases, regardless of whether the beneficiary
17 designated has an insurable interest.

18 (b) A policyholder has an insurable interest in the life of an individual if such
19 policyholder has a lawful and substantial interest in the continued life of the insured, as
20 distinguished from an interest that would arise only from, or would be enhanced in value by, the
21 death of the individual insured.

22 (c) An organization which qualifies for a charitable deduction under the Internal
23 Revenue Code has an insurable interest in the life of any person who consents in writing to the
24 organization's ownership or purchase of that insurance.

25 (d) A life insurance policy or annuity may be issued to a business entity as the owner
26 and beneficiary on the life of a key employee or partner if there exists a reasonable and substantial
27 expectation of pecuniary benefit or advantage, direct or indirect, in the continued life of the other
28 person.

29 (e) A trustee, sponsor, or custodian of assets held in any plan governed by the Employee
30 Retirement Income Security Act of 1974, 29 U.S.C. 1001 et seq., or in any other retirement or
31 employee benefit plan has an insurable interest in the lives of its employees, former employees and

1 retirees for the purpose of funding, in the aggregate, all or part of the entity's cost for preretirement
2 and postretirement medical, death, disability and pension benefits to its employees, former
3 employees, retirees or their beneficiaries, as long as an insurance program used to finance these
4 employee benefits includes former employees, retirees or a broad class of employees selected by
5 objective standards related to service, or category of employment and that the proceeds created by
6 that insurance program are used for the sole purpose of funding the corporation's preretirement or
7 postretirement benefit programs covering at least a broad class of employees.

8 (1) Employers shall notify eligible employees of their proposed participation in the
9 plan and the employees shall be given an opportunity to refuse to participate. On a prospective
10 basis, employers shall obtain written consent of each individual being insured. Consent shall
11 include an acknowledgment that the employer may maintain the life insurance coverage even after
12 the insured individual's employment has terminated and the employee may not revoke their consent.

13 (2) An employer shall not retaliate in any manner against an employee or a retired
14 employee for refusing to consent to be insured.

15 (3) For non-key or non-managerial employees, the amount of coverage shall be
16 reasonably related to the benefits provided to the employees.

17 (4) With respect to employer provided pension and welfare benefit plans, the life
18 insurance coverage purchased to finance the plans should only be allowed on the lives of those
19 employees and retirees who, at the time their lives are first insured under the plan, would be eligible
20 to participate in the plan.

21 II. An insurable interest shall exist at the time the policy or contract is issued. No policy or
22 annuity can exist without an insurable interest.

23 III. No life insurance policy or annuity contract may be issued unless the insured has
24 consented in writing to the issuance of such policy. The insured shall have the right to revoke their
25 consent at any time, except for plans issued as described in subparagraph I(e).

26 IV. If the beneficiary, assignee, or other payee under any contract made in violation of this
27 section receives from the insurer any benefits thereunder accruing upon the death, disablement, or
28 injury of the individual insured, the individual insured, or his or her executor or administrator, as
29 the case may be, may maintain an action to recover those benefits from the person so receiving them.

30 V. Any device, scheme, or artifice designed to give the appearance of an insurable interest
31 where there is no legitimate insurable interest violates this title and shall constitute insurance
32 fraud.

33 408:4 Form Review.

34 I. No policy, contract, certificate, document, or other form related to life insurance or
35 annuities shall be issued or delivered to any person in this state until a copy thereof has been
36 submitted to the commissioner for review to determine whether it is in compliance with Title
37 XXXVII and rules adopted thereunder.

1 II. The commissioner may, within 30 days after the filing of any such form, disapprove such
2 form:

3 (a) If it contains a provision or provisions which are unjust, unfair, inequitable,
4 misleading, deceptive, or encourage misrepresentation of such policy; or

5 (b) If it does not comply with the requirements of Title XXXVII or rules adopted
6 thereunder.

7 III. If the commissioner disapproves a form, it shall be unlawful thereafter for the insurer to
8 issue the form or use it in connection with any policy, contract, or certificate. The commissioner
9 shall issue a notice of disapproval, specify the reasons for disapproval in the notice, and state that a
10 hearing shall be granted in accordance with RSA 400-A:17 upon request in writing by the insurer.

11 408:5 Subsequent Withdrawal of Approval. The commissioner may at any time, after a hearing
12 noticed in accordance with RSA 400-A:18, withdraw approval of any such form that does not comply
13 with the requirements of Title XXXVII or rules adopted thereunder. It shall be unlawful for the
14 insurer to issue the form or use it in connection with any policy after the effective date of such
15 withdrawal of approval.

16 408:6 Third Party Proceeds from Death Benefits. The lawful beneficiary of a life insurance
17 policy or annuity contract death benefit shall be entitled to its proceeds and all other benefits against
18 creditors and representatives of the insured person provided that, subject to the statute of
19 limitations, the amount of any premiums for said insurance paid in fraud of creditors, with interest
20 thereon, shall inure to the creditors' benefit from the proceeds of the policy.

21 408:7 Intent to Defraud. If it appears that the life insurance policy or annuity contract was
22 procured with the intent and effect of defrauding creditors of the person procuring the same, the
23 party receiving the money secured by the policy shall be liable to such creditors for the amount of all
24 premiums paid for such insurance with interest thereon. The company issuing the policy shall be
25 discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless
26 before such payment, the company shall have written notice, by or on behalf of a creditor, of a claim
27 to recover for certain premiums paid in fraud of creditors with the certification of the amount
28 claimed.

29 408:8 Penalty. Any person who violates any provision of this chapter or any rule adopted
30 thereunder shall be subject to penalties as provided under RSA 400-A:15, III.

31 408:9 Retained Asset Accounts.

32 I. "Retained asset account" means any mechanism whereby the settlement of death benefits
33 payable under a life insurance policy or annuity contract is accomplished pursuant to a disclosure
34 document with the beneficiary, or the beneficiary's legal representative, by the insurer, or an entity
35 acting on behalf of the insurer, depositing the proceeds into an account with check or draft writing
36 privileges pursuant to a disclosure document.

1 II. An insurer may not transfer funds to a retained asset account unless the beneficiary or
2 the beneficiary's legal representative has elected to receive funds through a retained asset account
3 after receiving written information describing the settlement options available under the policy or
4 contract and any other option available to the beneficiary for the receipt of proceeds.

5 III. The insurer shall provide written disclosures to the beneficiary, or the beneficiary's legal
6 representative, of the death benefit that clearly provides the rights of the beneficiary and the
7 obligations of the insurer before the retained asset account is selected. Such disclosures shall
8 include the following:

9 (a) Payment of the full benefit amount is accomplished by delivery of the draft book or
10 check book;

11 (b) One draft or check may be written to access the entire amount, including interest, of
12 the retained asset account at any time;

13 (c) Whether other available settlement options are preserved until the entire balance is
14 withdrawn or the balance drops below the insurer's minimum balance requirements;

15 (d) A statement identifying the account as either a checking account or a draft account
16 and an explanation of how the account works;

17 (e) Information about the account services provided and contact information where the
18 beneficiary may request and obtain more details about such services;

19 (f) A description of services provided at no charge and which services involve a fee, if
20 applicable;

21 (g) The frequency of statements showing the current account balance, the interest
22 credited, drafts or checks written, and any other account activity;

23 (h) The minimum interest rate to be credited to the account and how the actual interest
24 rate will be determined;

25 (i) The interest earned on the account may be taxable;

26 (j) Retained asset account funds held by insurance companies are not insured by the
27 Federal Deposit Insurance Corporation but are guaranteed by the state guaranty association. The
28 beneficiary should be advised to contact the National Organization of Life and Health Insurance
29 Guaranty Associations via the association's website to learn more about the coverage limitations to
30 the account under a state guaranty association;

31 (k) A description of the insurer's policy regarding retained asset accounts that become
32 inactive;

33 (l) The contact information, including Internet website address, a telephone number,
34 and address, where the beneficiary may obtain additional information and answers to any questions;

35 (m) The recommendation to consult a tax, investment, or other financial advisor
36 regarding tax liability and investment options; and

1 (n) A beneficiary for the account may be designated if no designation has previously
2 been made.

3 IV. The insurer shall deliver periodic statements to the beneficiary at least quarterly
4 detailing the account balance and any transactions.

5 408:10 Change in Beneficiary. Any change in beneficiary in a life insurance policy or annuity
6 contract shall comply with RSA 471-C:7, VII.

7 408:11 Interest Payment on Claims for Death Benefits.

8 I. Any policy or contract containing a death benefit shall contain a provision for the payment
9 of interest on the death benefit, as follows:

10 (a) Interest shall accrue and be payable from the date of death.

11 (b) Interest shall accrue at the rate or rates applicable to the policy for funds left on
12 deposit or, if the company has not established a rate for funds left on deposit, at the Two Year
13 Treasury Constant Maturity Rate as published by the Federal Reserve. In determining the effective
14 annual rate or rates, the company shall use the rate in effect on the date of death.

15 (c) Interest shall accrue at the effective annual rate determined in subparagraph (b),
16 plus additional interest at a rate of 10 percent annually, beginning with the date that is 31 calendar
17 days from the latest of dates identified in subparagraph (1) or (2), to the date the claim is paid,
18 where it is:

19 (1) The date that due proof of death is received by the company; or

20 (2) The date the company receives sufficient information to determine its liability,
21 the extent of the liability, and the beneficiary legally entitled to the proceeds.

22 II. The insurer has a duty to pay all claims in a timely manner. Nothing in this section shall
23 be construed to allow any life insurance company doing business in this state to withhold payment of
24 money payable under a life insurance policy or annuity contract death benefit to any beneficiary for
25 a period longer than reasonably necessary to transmit such payment.

26 III. In any case in which interest on the proceeds of, or payments under, any individual or
27 group policy of life insurance or annuity contract death benefit becomes payable pursuant to
28 paragraph I, the insurer shall notify each named beneficiary at the last known address, as evidenced
29 by the business records of the insurer, that interest will be paid on the proceeds of, or payments
30 under, such policy from the date of death of the named insured, if the company does not pay the
31 proceeds of, or payments under, the policy within 30 days of the insured's death. Such notice shall
32 specify the rate of interest to be paid.

33 408:12 Electronic Mail. Any notice or document required by this chapter to be mailed may be
34 transmitted to the recipient electronically in lieu of mail in accordance with RSA 420-Q:2.

35 Life Insurance

36 408:13 General Policy Requirements for Life Insurance. Every life insurance policy subject to
37 this chapter shall comply with the following:

1 I. Payment of premiums. There shall be a provision relating to the time and place of
2 payment of premiums.

3 II. Grace period. There shall be a provision that the policyholder is entitled to a grace period
4 for the premium due, except the first, during which grace period the death benefit coverage shall
5 continue in force, unless the policyholder has given the insurer written notice of discontinuance in
6 advance of the date of discontinuance and in accordance with the terms of the policy. The policy may
7 provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for
8 the time the policy was in force during such grace period. The commissioner may adopt rules to
9 establish the length of the grace period.

10 III. Entire contract. There shall be a provision that the policy, together with a copy of the
11 signed and completed application, shall constitute the entire contract between the parties.

12 IV. Incontestability. There shall be a provision that the policy shall be incontestable by the
13 insurer after it has been in force for 2 years during the lifetime of the insured. However, any
14 increase in the amount of the policy's death benefits subsequent to the policy issue date, which
15 occurred upon a new application or request of the owner and was subject to satisfactory proof of the
16 insured's insurability, shall be incontestable after the increase has been in force, during the lifetime
17 of the insured, for 2 years from the date of issue of increase.

18 V. Misstatement. If there is a misstatement of age or gender in the policy, the amount of
19 the death benefit shall be that which would be purchased by the most recent mortality charge at the
20 correct age or gender. The commissioner may approve other methods which are deemed satisfactory.

21 VI. Suicide. If the policy includes a suicide exclusion, such exclusion shall not apply after
22 the second anniversary of the effective date of the policy.

23 408:14 Group Life Insurance; Definitions. No policy or certificate of group life insurance shall
24 be issued or delivered in this state unless the policy is issued to a group that conforms to one of the
25 following descriptions:

26 I. A policy issued to an employer, or to the trustees of a fund established by an employer,
27 which employer or trustees shall be deemed the policyholder, to insure employees of the employer for
28 the benefit of persons other than the employer, subject to the following requirements:

29 (a) The employees eligible for insurance under the policy shall be all of the employees of
30 the employer or all of any class or classes thereof, determined by conditions pertaining to their
31 employment. The policy may provide that the term "employees" shall include the employees of one
32 or more subsidiary corporations and the employees, individual proprietors, and partners of one or
33 more affiliated corporations, proprietors, or partnerships, if the business of the employer and of such
34 affiliated corporations, proprietors, or partnerships is under common control through stock
35 ownership, contract, or otherwise. The policy may provide that the term "employees" shall include
36 the individual proprietor or partners, if the employer is an individual proprietor or a partnership.
37 The policy may provide that the term "employees" may include retired employees, former employees,

1 and directors of a corporate employer. A policy issued to insure the employees of a public body may
2 provide that the term "employee" shall include elected or appointed officials.

3 (b) The premium for the policy shall be paid by the policyholder, either from the
4 employer's funds, or from funds contributed by the insured employees, or from both. A policy on
5 which no part of the premium is to be derived from funds contributed by the insured employees shall
6 insure all eligible employees, or all except any as to whom evidence of individual insurability is not
7 satisfactory to the insurer.

8 II. A policy issued to a creditor or its parent holding company or to the trustees of a fund
9 established by one or more creditors, which creditor or trustees shall be deemed the policyholder, to
10 insure debtors of the creditor or creditors, subject to the following requirements:

11 (a) The debtors eligible for insurance under the policy shall be all the debtors of the
12 creditor or creditors or all of any class or classes thereof. The policy may provide that the term
13 "debtors" shall include:

14 (1) Borrowers of money or purchasers or lessees of goods, services, or property for
15 which payment is arranged through a credit transaction;

16 (2) The debtors of one or more subsidiary corporations; and

17 (3) The debtors of one or more affiliated corporations, proprietors, or partnerships, if
18 the business of the policyholder and of such affiliated corporations, proprietors, or partnerships is
19 under common control through stock ownership, contract, or otherwise.

20 (b) The premium for the policy shall be paid by the policyholder, either from the creditor
21 or creditors' funds, or from charges collected from the insured debtors, or from both. A policy on
22 which no part of the premium is to be derived from funds contributed by insured debtors specifically
23 for their insurance shall insure all eligible debtors, or all except any as to whom evidence of
24 individual insurability is not satisfactory to the insurer.

25 (c) The amount of insurance on the life of any debtor shall at no time exceed the greater
26 of the scheduled or actual amount of unpaid indebtedness to the creditor.

27 (d) The insurance shall be payable to the policyholder. Such payment shall reduce or
28 extinguish the unpaid indebtedness of the debtor to the extent of the payment and any excess of the
29 insurance shall be payable to the estate of the insured.

30 (e) Notwithstanding the provisions of subparagraphs (a)-(d), insurance on agricultural
31 credit transaction commitments may be written up to the amount of the loan commitment on a non-
32 decreasing or level term plan. Insurance on educational credit transaction commitments may be
33 written up to the amount of the loan commitment less the amount of any repayments made on the
34 loan,

35 III. A policy issued to a labor union or similar employee organization, which shall be deemed
36 the policyholder, to insure members of such union or organization for the benefit of persons other

1 than the union or any of its officials, representatives, or agents, subject to the following
2 requirements:

3 (a) The members eligible for insurance under the policy shall be all of the members of
4 the union or organization, or all of any class or classes thereof determined by conditions pertaining
5 to their employment, or to membership in the union or organization, or both.

6 (b) The premium for the policy shall be paid by the policyholder, either wholly from the
7 union's or organization's funds or partly from such funds and partly from funds contributed by the
8 insured members specifically for the insurance. A policy on which no part of the premium is to be
9 derived from funds contributed by the insured members specifically for their insurance shall insure
10 all eligible members, or all except any as to whom evidence of individual insurability is not
11 satisfactory to the insurer.

12 IV. A policy issued to the trustees of a fund established by 2 or more employers in the same
13 industry or by one or more labor unions or similar employee organizations, which trustees shall be
14 deemed the policyholder, to insure employees of the employers or members of the union(s) or
15 organizations for the benefit of persons other than the employers or the unions, subject to the
16 following requirements:

17 (a) The persons eligible for insurance shall be all of the employees of the employers or all
18 of the members of the unions, or all of any class or classes thereof determined by conditions
19 pertaining to their employment, or to membership in the unions, or to both. The policy may provide
20 that the term "employees" shall include the individual proprietor or partners if an employer is an
21 individual proprietor or a partnership. The policy may provide that the term "employees" shall
22 include the trustees or their employees, or both, if their duties are principally connected with such
23 trusteeship. The policy may provide that the term "employees" shall include retired employees,
24 former employees, and directors of a corporate employer.

25 (b) The premiums for the policy shall be paid by the policyholder either wholly from
26 funds contributed by the employers of the insured persons or partly from such funds and partly from
27 funds contributed by the insured employees. A policy on which no part of the premium is to be
28 derived from funds contributed by the insured members specifically for their insurance shall insure
29 all eligible members, or all except any as to whom evidence of individual insurability is not
30 satisfactory to the insurer.

31 V. A policy issued to a credit union or to the trustees of a fund established by one or more
32 credit unions, which credit union or trustees shall be deemed the policyholder to insure members of
33 such credit union or credit unions for the benefit of persons other than the credit union or credit
34 unions or trustees or any of their officials, subject to the following requirements:

35 (a) The members eligible for insurance shall be all of the members of the credit union or
36 credit unions, or all of any class or classes thereof determined by conditions pertaining to
37 membership in the credit union or credit unions.

1 (b) The premium for the policy shall be paid by the policyholder, either wholly from the
2 funds of the credit union or credit unions, or partly from such funds and partly from funds
3 contributed by the insured members specifically for their insurance, or wholly from funds
4 contributed by the insured members specifically for their insurance. A policy on which no part of the
5 premium is to be derived from funds contributed by the insured members specifically for their
6 insurance shall insure all eligible members, or all except any as to whom evidence of individual
7 insurability is not satisfactory to the insurer.

8 VI. A policy issued to an association or trust of public employees formed for purposes other
9 than obtaining insurance, which association shall be deemed the policyholder, to insure members of
10 such association for the benefit of persons other than the association or any of its officials, subject to
11 the following requirements:

12 (a) The persons eligible for insurance under the policy shall be all of the members of the
13 association, or all of any class or classes thereof determined by conditions pertaining to their
14 employment, or to membership in the association, or both.

15 (b) The premium for the policy shall be paid by the policyholder, either from the
16 association's own funds, or charges collected from the insured members specifically for insurance, or
17 from both. A policy on which no part of the premium is to be derived from funds contributed by the
18 insured members specifically for their insurance shall insure all eligible members, or all except any
19 as to whom evidence of individual insurability is not satisfactory to the insurer.

20 (c) As used herein, "public employees" means employees of the United States
21 government, or of any state, county, municipality, or political subdivision, or instrumentality of any
22 of them.

23 VII.(a) A policy or certificate issued to a resident of this state under a group life insurance
24 policy may be issued to a group other than one described in paragraphs I through VI provided the
25 commissioner finds that:

26 (1) The issuance or delivery of the policy or certificate is not contrary to the best
27 interest of the public.

28 (2) The issuance or delivery of the policy or certificate would result in economies of
29 acquisition or administration.

30 (3) The benefits are reasonable in relation to the premiums charged.

31 (4) The premium for the policy shall be paid either from the policyholder's funds or
32 from funds contributed by the covered persons, or from both, and shall insure all eligible covered
33 persons, or all except any as to whom evidence of individual insurability is not satisfactory to the
34 insurer.

35 (b) If the commissioner has approved a discretionary group, it shall be the responsibility
36 of the insurer to verify that the group continues to meet the discretionary group requirements.

1 (c) Any filing made in relation to a discretionary group life insurance policy or certificate
2 that was approved by the department prior to July 1, 2009 shall be deemed to meet the requirements
3 of this paragraph, unless the commissioner acts at any time to revoke such approval after a hearing
4 pursuant to RSA 400-A:17.

5 (d) The commissioner may, after a hearing held pursuant to RSA 400-A:17, withdraw
6 approval of a discretionary group if the commissioner finds such a group no longer meets the
7 requirement of this paragraph.

8 VIII. Notwithstanding the above, any such policy of group life insurance issued pursuant to
9 paragraphs I-VII may be extended to provide group life insurance for an employee, or other member
10 of the group, his or her spouse, child or children, or other dependents.

11 408:15 Group Standard Provisions. No policy or certificate of group life insurance, or any form
12 attached to a policy or certificate of group life insurance, shall be delivered or issued for delivery in
13 this state to a resident of this state unless it contains in substance the following provisions, or
14 provisions which in the opinion of the commissioner are more favorable to the persons insured, or at
15 least as favorable to the persons insured and more favorable to the policyholder or certificate holder,
16 provided, however, that (a) provisions in paragraphs II-VIII inclusive shall not apply to policies
17 issued to a creditor to insure debtors of such creditor or to policies issued to a credit union to insure
18 members of such credit union; and (b) if the group life insurance policy is on a plan of insurance
19 other than the term plan, it shall contain a nonforfeiture provision or provisions which, in the
20 opinion of the commissioner, is or are equitable to the insured persons and to the policyholder or
21 certificate holder, but nothing herein shall be construed to require that group life insurance policies
22 and certificates contain the same nonforfeiture provisions as are required for individual life
23 insurance policies:

24 I. A provision setting forth the conditions, if any, under which the insurer reserves the right
25 to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to
26 the insurer as a condition to part or all of his or her coverage.

27 II. A provision that any sum becoming due, by reason of the death of the person insured,
28 shall be payable to the beneficiary designated by the person insured, subject to the provisions of the
29 policy. In the event there is no living designated beneficiary as to all or any part of such sum at the
30 death of the person insured, the insurer may, subject to any right reserved by the insurer in the
31 policy and set forth in the certificate, pay at its option a part of such sum, not exceeding \$2,000, to
32 any person appearing to the insurer to be equitably entitled thereto by reason of having incurred
33 funeral or other expenses incident to the last illness or death of the person insured.

34 III. A provision that the insurer will issue to the policyholder, for delivery to each person
35 insured, an individual certificate setting forth a statement as to the insurance protection to which he
36 or she is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth
37 in paragraphs IV, V, VI, and VII following.

1 IV. A provision that if the insurance, or any portion of it, on a person covered under the
2 policy, or on the dependent of a person covered, ceases because of termination of employment or of
3 membership in the class or classes eligible for coverage under the policy, such person shall be
4 entitled to a right of conversion. The right of conversion entitles such person to have an individual
5 life insurance policy issued by the insurer, without evidence of insurability and without disability or
6 other supplementary benefits.

7 (a) Application for the individual policy shall be made, and the first premium paid to the
8 insurer, within 31 days after such termination.

9 (b) The individual policy shall, at the option of such person, be on any one of the forms,
10 except term insurance, then customarily issued by the insurer at the age and for the amount applied
11 for.

12 (c) The individual policy shall be in an amount not in excess of the amount of life
13 insurance which ceases because of such termination, provided that any amount of insurance which
14 shall have matured, on or before the date of such termination, as an endowment payable to the
15 person insured, whether in one sum or in installments in the form of an annuity, shall not, for the
16 purposes of this provision, be included in the amount which is considered to cease because of such
17 termination.

18 (d) The premium on the individual policy shall be at the insurer's then customary rate
19 applicable to the form and amount of the individual policy, to the class of risk to which such person
20 then belongs, and to the person's age attained on the effective date of the individual policy. Subject
21 to the same conditions set forth in subparagraphs (a)-(c), the conversion privilege shall be available:

22 (1) To a surviving dependent, if any, at the death of the employee or member, with
23 respect to the coverage under the group policy that terminates by reason of the death; and

24 (2) To the dependent of the employee or member upon termination of coverage of the
25 dependent, while the employee or member remains insured under the group policy, by reason of the
26 dependent ceasing to be a qualified family member under the group policy.

27 (e) The suicide provision of the individual policy shall no longer apply after the second
28 anniversary of the effective date of the group life insurance from which the conversion was made.

29 (f) The individual policy shall not be contestable after the second anniversary of the
30 effective date of the group life insurance from which conversion was made.

31 V. A portability option, including for term insurance, may be offered, in addition to and not
32 in lieu of the conversion right, when coverage ceases because of termination of employment or of
33 membership in the class or classes eligible for coverage under the group policy, provided the
34 subsequent policy, certificate, and group meet all the requirements in this chapter. The portability
35 option, if offered, shall be made available to all employees or members, without evidence of
36 insurability and regardless of the reason for the termination of employment or of membership in the
37 class or classes eligible for coverage. Portability may be provided through a group life portability

1 trust, established and maintained in New Hampshire and solely for the purpose of making ported
2 life insurance available to employees or members whose coverage would terminate under the group
3 life policy, provided it meets the requirements of a discretionary group as provided under RSA
4 408:14, VII and is approved by the commissioner.

5 VI. A provision that, if the group policy terminates or is amended so as to terminate the
6 insurance of any class of insured persons, every person insured thereunder at the date of such
7 termination whose insurance terminates, including the insured dependent of a covered person, and
8 who has been so insured for at least 5 years prior to such termination date shall be entitled to have
9 issued by the insurer an individual policy of life insurance, subject to the same conditions and
10 limitations as are provided by paragraph IV, except that the group policy may provide that the
11 amount of such individual policy shall not exceed the smaller of:

12 (a) The amount of the person's life insurance protection ceasing because of the
13 termination or amendment of the group policy, less the amount of life insurance for which he or she
14 is or becomes eligible under any group policy issued or reinstated by the same or another insurer
15 within 31 days after such termination, or

16 (b) \$10,000.

17 VII. If an individual insured under a group life insurance policy hereafter delivered in this
18 state becomes entitled under the terms of the policy to have an individual policy or ported coverage
19 certificate of life insurance issued without evidence of insurability, subject to making an application
20 and payment of the first premium within the period specified in the policy, and if the individual is
21 not given notice of the existence of the right at least 15 days prior to the expiration date of the
22 period, then in that event, the individual shall have an additional period within which to exercise the
23 right, but nothing herein contained shall be construed to continue any insurance beyond the period
24 provided in the policy. This additional period shall expire 15 days after the individual is given
25 notice, but in no event shall the additional period extend beyond 60 days after the expiration date of
26 the period provided in the policy. It shall be the responsibility of the insurer to notify the individual
27 of the right to elect conversion coverage. Written notice presented to the individual or mailed by the
28 policyholder to the last known address of the individual or mailed by the insurer to the last known
29 address of the individual as furnished by the policyholder shall constitute adequate notice for the
30 purpose of this paragraph.

31 VIII. A provision that if a person insured under the group policy dies during the period
32 within which he or she would have been entitled to have an individual policy or ported coverage
33 certificate issued to him or her in accordance with paragraph IV, V, or VI, and before such coverage
34 shall have become effective, the amount of life insurance which he or she would have been entitled to
35 have issued to him or her shall be payable as a claim under the group policy, whether or not
36 application for the individual policy or the payment of the first premium therefor has been made.

1 IX. Whenever any policy of group life insurance extends group life insurance to the spouse,
2 child or children, or other dependents of an employee, or other member of the group, and if the
3 coverage of any dependent of any employee or member of the group insured by such policy who is
4 mentally or physically incapable of earning a living on the date as of which such dependent's status
5 as a covered family member would otherwise expire because of age, shall continue under such policy
6 while such policy remains in force or is replaced by another group policy as long as such incapacity
7 continues and as long as the dependent remains chiefly financially dependent on the employee or
8 member of the group or the employee or the employee's estate is chargeable for the care of the
9 dependent, provided that due proof of such incapacity is received by the insurer within 31 days of
10 such expiration date. If such coverage is continued in accordance with this paragraph, such
11 dependent shall be entitled upon termination of such incapacity to a converted policy in accordance
12 with and subject to the terms and conditions of the conversion privilege clause, if such privilege is
13 afforded by the policy, provided that such dependent has not attained the limiting age, if any, for
14 conversion of adults specified in the policy.

15 408:16 Assignment of Interest. Subject to the terms of the policies relating to assignment of
16 incidents of ownership thereunder, a person whose life is insured under a group life insurance policy
17 may assign any and all incidents of ownership granted him or her under such policy or by law,
18 including but not limited to the right to designate a beneficiary, to exercise the conversion privilege,
19 to have an individual policy issued to him or her, and to pay premiums. This provision shall be
20 construed as declaring the law as it existed prior to its enactment and not as modifying it.

21 408:17 Continuation of Coverage During Labor Disputes. Any employee whose compensation
22 includes group life insurance, the premiums for which are paid in full or in part by an employer,
23 including the state of New Hampshire, its political subdivisions, or municipal corporations, or paid
24 by payroll deduction, may pay the premiums as they become due directly to the policyholder
25 whenever the employee's compensation is suspended or terminated directly or indirectly, as the
26 result of a strike, lockout, or other labor dispute, for a period not exceeding 6 months and at the rate
27 and coverages as the policy provides.

28 I. During said 6-month period, the policy may not be altered or changed, except that nothing
29 in this section shall be deemed to impair the right of the insurer to make normal decreases or
30 increases of the premium rate upon expiration and renewal of the policy, in accordance with the
31 provisions of the policy.

32 II. When the employee's compensation is so suspended or terminated, the employee shall be
33 notified immediately by the policyholder in writing, by mail addressed to the last address on record
34 with the policyholder, that the employee may pay the premiums to the policyholder as they become
35 due as provided in this section.

36 III. The policyholder shall remit any premiums paid by the employees on a timely basis to
37 the insurer.

1 IV. Nothing herein shall be deemed to require the continuation of any such group coverage
2 to any individual employee beyond the time that he or she takes full-time employment with another
3 employer, nor shall anything herein be deemed to require continuation of the group coverage more
4 than 6 months after compensation is suspended or terminated as the result of a labor dispute, nor to
5 require the insurer to continue coverage as to any employee for whose coverage premiums have not
6 been remitted in accordance with the provisions of the policy.

7 V. After said 6-month period, if the group insurance coverage is no longer available, then the
8 employee shall have the right to convert to an individual policy in accordance with the provisions of
9 RSA 408:15, IV.

10 408:18 Prohibited Provisions. No group life insurance policy or certificate shall contain any
11 provision that reduces or denies any benefit otherwise payable because a pre-existing medical or
12 health condition contributed to the death or disability of the insured. No group life insurance policy
13 or certificate shall contain any provisions that exclude benefits for specified illnesses or medical
14 conditions of the insured or which impose additional waiting periods for pre-existing conditions or
15 specified illnesses or medical conditions of the insured. An insurer may require that an insured be
16 actively at work in order to be eligible for any benefits of the policy or certificate.

17 Annuities

18 408:19 General Contract Requirements for Annuities. Every annuity contract subject to this
19 chapter shall comply with the following:

20 I. Payment of premiums. There shall be a provision relating to the time and place of
21 payment of premiums.

22 II. Grace period. There shall be a provision that the contract holder is entitled to a grace
23 period for the premium due, except the first, during which grace period the death benefit coverage
24 shall continue in force, unless the contract holder gives the insurer written notice of discontinuance
25 in advance of the date of discontinuance and in accordance with the terms of the contract. The
26 contract may provide that the contract holder shall be liable to the insurer for the payment of a pro
27 rata premium for the time the contract was in force during such grace period. The commissioner
28 shall adopt rules to establish the length of the grace period.

29 III. Entire contract. There shall be a provision that the annuity contract, together with a
30 copy of the signed and completed application, shall constitute the entire contract between the
31 parties.

32 IV. Incontestability. A provision that the contract shall be incontestable by the insurer after
33 it has been in force for 2 years during the lifetime of the insured. However, any increase in the
34 amount of the contract's death benefits subsequent to the contract issue date, which occurred upon a
35 new application or request of the owner and was subject to satisfactory proof of the insured's
36 insurability, shall be incontestable after the increase has been in force, during the lifetime of the
37 insured, for 2 years from the date of issue of increase.

1 V. Misstatement. If there is a misstatement of age or gender in the contract, the amount of
2 the death benefit shall be that which would be purchased by the most recent mortality charge at the
3 correct age or gender. The commissioner may approve other methods which are deemed satisfactory.

4 408:20 Group Annuities Defined. No group annuity may be delivered or issued for delivery in
5 this state to a group which does not meet the definition of group annuity as defined in rules. The
6 commissioner may promulgate rules defining groups for annuities.

7 Separate Accounts

8 408:21 Definitions.

9 I. "Separate account" shall mean a segregated investment account maintained by an
10 insurance company.

11 II. "Variable products " shall mean any life insurance policy or annuity contract issued by an
12 insurance company which provides that the dollar amount of benefits or other contractual payments
13 thereunder may vary according to the investment experience of any separate account or accounts
14 maintained by the insurance company in which amounts received in connection with such policies or
15 contracts have been placed. Variable products shall not be deemed subject to RSA 421-B.

16 408:22 Authorization. A domestic life insurance company may establish one or more separate
17 accounts, and may allocate thereto amounts, including, without limitation, proceeds applied under
18 optional modes of settlement or under dividend options, to provide for life insurance or annuities and
19 benefits incidental thereto, payable in fixed or variable amounts or both.

20 408:23 Operation of Separate Accounts.

21 I. The income, gains, and losses, realized or unrealized, from assets allocated to a separate
22 account shall be credited to or charged against the account, without regard to other income, gains, or
23 losses of the company.

24 II. Notwithstanding any inconsistent provision in this chapter or in any section of the
25 general statutes, the amounts allocated to any separate account and accumulations thereon may be
26 invested and reinvested without regard to any requirements or limitations prescribed by the laws of
27 this state governing the investments of life insurance companies, and the investments in such
28 separate account or accounts shall not be taken into account in applying the investment limitations
29 otherwise applicable to the investments of the company.

30 III. Except with the approval of the commissioner and under such conditions as to
31 investments and other matters as the commissioner may prescribe, which shall recognize the
32 guaranteed nature of the benefits provided, reserves for benefits guaranteed as to dollar amount and
33 duration, and funds guaranteed as to principal amount or stated rate of interest, shall not be
34 maintained in a separate account.

35 IV. Unless otherwise approved by the commissioner, assets allocated to a separate account
36 shall be valued at their market value on the date of valuation, or if there is no readily available
37 market, then as provided under the terms of the contract or the rules or other written agreement

1 applicable to the separate account, provided that, unless otherwise approved by the commissioner,
2 the portion, if any, of the assets of the separate account equal to the company's reserve liability, with
3 regard to the guaranteed benefits and funds referred to in paragraph III, shall be valued in
4 accordance with the rules otherwise applicable to the company's assets.

5 V. No sale, exchange, or other transfer of assets may be made by a company between any of
6 its separate accounts or between any other investment account and one or more of its separate
7 accounts unless, in case of a transfer into a separate account, the transfer is made solely to establish
8 the account or to support the operation of the contracts, with respect to the separate account to
9 which the transfer is made, and unless the transfer, whether into or from a separate account, is
10 made by a transfer of cash or by a transfer of securities having a readily determinable market value,
11 provided that the transfer of securities is approved by the commissioner. The commissioner may
12 approve other transfers among the accounts if, in his or her opinion, the transfers would not be
13 inequitable.

14 408:24 Insurance Company Not a Trustee. Amounts allocated by an insurance company to
15 separate accounts in the exercise of the power granted by this chapter shall be owned by the
16 insurance company, and the insurance company shall not be, or hold itself out to be, a trustee in
17 respect to such amounts. To the extent so provided under the applicable contracts, that portion of
18 the assets of any such separate account equal to the reserves and other contract liabilities, with
19 respect to the account, shall not be chargeable with liabilities arising out of any other business the
20 insurance company may conduct.

21 408:25 Managing Business of Separate Account. To the extent the insurance company deems it
22 necessary to comply with any applicable federal or state laws, the insurance company, with respect
23 to a separate account, including, without limitation, any separate account that is a management
24 investment company or a unit investment trust, may provide for persons, having an interest therein
25 appropriate, voting and other rights and special procedures for the conduct of the business of the
26 account, including, without limitation, special rights and procedures relating to investment policy,
27 investment advisory services, selection of independent public accountants, and the selection of a
28 committee, the members of which need not be otherwise affiliated with the company, to manage the
29 business of the account.

30 Variable Products

31 408:26 Qualification of Companies; Subsidiaries and Affiliates.

32 I. No company shall issue for delivery within this state variable products unless it is
33 licensed to do so in this state.

34 II. A variable product license will only be issued to a company licensed in this state to
35 conduct life insurance and annuity business if the commissioner is satisfied that the life insurance
36 company's condition or method of operation in connection with the issuance of variable products will

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1 not render its operation hazardous to the public or its policyholders in this state. In this connection,
2 the commissioner shall consider, among other things:

3 (a) The history and financial condition of the company;

4 (b) The character, responsibility, and fitness of the officers and directors of the company;

5 and

6 (c) The law and regulation under which the company is authorized in the state of
7 domicile to issue variable products. The state of entry of an alien company shall be deemed its place
8 of domicile for this purpose.

9 III. If the company is a subsidiary of an admitted life insurance company, or affiliated with
10 such company through common management or ownership, it may be deemed by the commissioner
11 to have met the provisions of this section if either it or the parent or the affiliated company meets
12 the requirements hereof.

13 408:27 Certificate. Upon licensure of any insurance company to issue variable products, a
14 certificate shall be issued stating the name and the fact that the company has been licensed as a life
15 insurance company authorized to issue variable products. The certificate shall be in such form as
16 the commissioner may determine but shall state in bold type that the commissioner does not
17 recommend and assumes no responsibility for variable products offered by the licensee. Certified
18 copies of this certificate shall be furnished to the licensee for a fee as specified in RSA 400-A:29.

19 408:28 Variable Product Provisions. Any variable product issued or delivered in this state, and
20 any certificate evidencing variable benefits issued pursuant to any such product on a group basis,
21 shall contain a statement of the essential features of the procedure to be followed by the insurance
22 company in determining the dollar amount of the variable benefits, or other contractual payments or
23 values thereunder, and shall state in clear terms that such amount may decrease or increase
24 according to such procedure. Any such product issued or delivered in this state and any such
25 certificate shall contain on its first page, in a prominent position, a clear statement that the benefits,
26 or other contractual payments or values thereunder, are on a variable basis.

27 408:29 Variable Products and Separate Accounts. Any domestic life insurance company which
28 issues variable products shall establish one or more separate accounts known as variable product
29 accounts. Variable product accounts shall comply with all the requirements of separate accounts,
30 pursuant to RSA 408:21-25.

31 408:30 Limitations. Investments and liabilities of a variable product account shall at all times
32 be clearly identifiable and distinguishable from the other investments and liabilities of the company.
33 No investments of a variable product account shall be pledged or transferred as collateral for a loan.

34 408:31 Investments.

35 I. The assets of a variable product account may be invested in any real estate or tangible or
36 intangible personal property which is a legal investment for a life insurance company, and, in
37 addition, such assets may be invested wholly or partly in common stock, in preferred stocks, or in

1 other equities which are, at the time of their purchase, either listed or admitted to trading on a
2 security exchange located in the United States of America or Canada, or are publicly traded on the
3 over-the-counter market and as to which market quotations are available, provided that no more
4 than 5 percent of the assets in any variable product account may be invested in the securities of any
5 one company and not more than 10 percent of any class of securities of any company shall be
6 acquired.

7 II. Unless otherwise approved by the commissioner, assets allocated to a variable product
8 account shall be valued at their market value on the date of valuation or, if there is no readily
9 available market, as provided under the terms of the contract or policy, or the rules or other written
10 agreement applicable to such variable product account, provided that, unless otherwise approved by
11 the commissioner, the portion, if any, of the assets of such variable product account equal to the
12 company's reserve liability, with regard to the guaranteed benefits and funds referred to in RSA
13 408:32, shall be valued in accordance with the rules otherwise applicable to the company's assets.

14 408:32 Reserves. Except with the approval of the commissioner and under such conditions as to
15 investments and other matters as he or she may prescribe, which shall recognize the guaranteed
16 nature of the benefits provided, reserves for (a) benefits guaranteed as to dollar amount and
17 duration and (b) funds guaranteed as to principal amount or stated rate of interest shall not be
18 maintained in a variable product account. The reserve liability for variable products shall be
19 established by the insurance commissioner pursuant to the requirements of RSA 410, the standard
20 valuation law, in accordance with actuarial procedures that recognize the variable nature of the
21 benefits provided.

22 408:33 Deposit of Securities. Any company organized under the laws of this state, which has
23 been authorized by the commissioner to issue variable products, shall deposit all securities
24 representing the assets of a segregated fund for a variable product account, and all uninvested cash
25 of such a fund, with a custodian which shall be a bank or trust company, either within or without the
26 state of New Hampshire, approved by the commissioner.

27 408:34 Advertising.

28 I. Only a life insurance company licensed to issue variable products in this state may, in this
29 state, by direct solicitation or through agents or producers, or by letter, circular, or advertising, sell,
30 offer for sale, or invite offers for or inquiries about variable products and only if it is licensed to do so
31 under the provisions of this chapter.

32 II. No insurance company or producer authorized to issue variable products shall advertise
33 publicly the fact of his or her license or use such fact or the license certificate in connection with any
34 sale or effort to sell variable products, except by statement of the fact or by exhibiting the certificate
35 or a certified copy thereof.

36 408:35 Prohibiting Sales. If the commissioner is of the opinion that any variable product is of
37 such a character that there is a serious financial danger to the purchaser in buying it, or that the

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1 circulars and advertisements do not disclose pertinent facts sufficient to enable intending purchasers
2 to form a correct judgment of the nature and value of the variable product, the commissioner may
3 prohibit the sale or advertisement of said variable product.

4 408:36 Qualification of Variable Products. Except for RSA 409:2, in the case of a variable life
5 insurance policy, and except as otherwise provided in this chapter, all pertinent provisions of Title
6 XXXVII shall apply to separate accounts and products relating thereto. Any variable life insurance
7 or annuity contract delivered or issued for delivery in this state shall comply with all respective
8 requirements of this chapter.

9 408:37 False Statement.

10 I. Whoever violates any provisions of RSA 408:26-36, inclusive, or knowingly files with the
11 commissioner, or furnishes to him or her any false or misleading statements or information, shall be
12 guilty of a class B felony, if a natural person, or guilty of a felony if any other person.

13 II. Any false or misleading statements or information furnished to the commissioner shall be
14 evidence that any sales of such variable products made thereafter were made on false representation
15 in a suit to recover damages on account of loss sustained through the purchase thereof.

16 2 New Hampshire Trust Code; Reference Change. Amend RSA 564-B:5-505(d)(1) to read as
17 follows:

18 (1) The proceeds and any other benefits of a policy of life or endowment insurance
19 effected by a settlor, a trustee, or any other person on the settlor's life or another individual's life as
20 provided in RSA ~~[408:2]~~ 408:6; or

21 3 Fraternal Benefit Societies; Reference Change. Amend RSA 418:31, II to read as follows:

22 II. Any person who acts in violation of this section shall, in addition to any penalties or
23 forfeiture with the power of the commissioner, be subject to the provisions of RSA 402-J ~~[and RSA~~
24 ~~408:8]~~.

25 4 Long-Term Care Insurance Act; Reference Changed. Amend RSA 415-D:9, VI to read as
26 follows:

27 VI. In the event of the death of the insured, this section shall not apply to the remaining
28 death benefit of a life insurance policy that accelerates benefits for long-term care. In this situation,
29 the remaining death benefits under these policies shall be governed by RSA ~~[408:10]~~ 408:13. In all
30 other situations, this section shall apply to life insurance policies that accelerate benefits for long-
31 term care.

32 5 Regulation of Small Loans, Title Loans, and Payday Loans; Reference Change. Amend RSA
33 399-A:15, XII to read as follows:

34 XII. Credit life insurance, credit accident and health insurance, and credit involuntary
35 unemployment insurance may be issued in connection with a loan or other credit transaction
36 authorized by this chapter in compliance with the provisions of RSA ~~[408:15, II]~~ 408:14 and the cost
37 of such insurance and any commission, benefit, or return to the lender therefrom shall not be

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1 deemed a violation of any provision of this chapter; provided, however, that if there is more than one
2 borrower or obligor on any such loan or credit transaction, credit life insurance providing a single
3 benefit may cover both borrowers or obligors.

4 6 Producer Licensing; Reference Change. Amend RSA 402-J:1, II to read as follows:

5 II. This chapter applies to all persons required to be a licensed producer pursuant to the
6 provisions of RSA 402:15; RSA 405:15; RSA 405:24; RSA 405:44-a; RSA 405:44-b; RSA 406-C:3; RSA
7 407-C:3; ~~RSA 408:42;~~ RSA 416-A:15; RSA 418:31; RSA 420-A:7; RSA 420-B:18; RSA 420-F:3; and
8 New Hampshire code of administrative rules Ins 2501.03.

9 7 Effective Date. This act shall take effect January 1, 2023.

CHAPTER 144
SB 208 - FINAL VERSION

2022 SESSION

22-2933
11/05

SENATE BILL **208**

AN ACT relative to life insurance.

SPONSORS: Sen. Cavanaugh, Dist 16; Sen. Bradley, Dist 3; Rep. Hunt, Ches. 11; Rep. Abel,
 Graf. 13

COMMITTEE: Commerce

ANALYSIS

This bill repeals and reenacts RSA 408 relative to life insurance.

This bill is a request of the insurance department.

Explanation: Matter added to current law appears in *bold italics*.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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SB 208 - FINAL VERSION

22-2933
11/05

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT relative to life insurance.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 144:1 Life Insurance. RSA 408 is repealed and reenacted to read as follows:

2 CHAPTER 408

3 LIFE INSURANCE

4 General Requirements

5 408:1 Power of Commissioner. Notwithstanding any other provision of law, the commissioner
6 shall have sole authority to regulate the issuance and sale of life insurance, annuities, and variable
7 products thereof. The commissioner may adopt rules as necessary to implement the provisions of
8 this chapter. The commissioner may promulgate rules relating to protecting against the exploitation
9 of the elderly and in home solicitation for life insurance policies and annuity contracts.

10 408:2 Certificate of Authority. No person may issue a life insurance policy or annuity contract
11 without first obtaining a certificate of authority from the commissioner.

12 408:3 Insurable Interest.

13 I. For the purpose of life insurance and annuities:

14 (a) An individual has an unlimited insurable interest in his or her own life, body, and
15 health, and may lawfully take out a policy of insurance on his or her own life, body, and health, and
16 have the policy made payable to whomsoever he or she pleases, regardless of whether the beneficiary
17 designated has an insurable interest.

18 (b) A policyholder has an insurable interest in the life of an individual if such
19 policyholder has a lawful and substantial interest in the continued life of the insured, as
20 distinguished from an interest that would arise only from, or would be enhanced in value by, the
21 death of the individual insured.

22 (c) An organization which qualifies for a charitable deduction under the Internal
23 Revenue Code has an insurable interest in the life of any person who consents in writing to the
24 organization's ownership or purchase of that insurance.

25 (d) A life insurance policy or annuity may be issued to a business entity as the owner
26 and beneficiary on the life of a key employee or partner if there exists a reasonable and substantial
27 expectation of pecuniary benefit or advantage, direct or indirect, in the continued life of the other
28 person.

29 (e) A trustee, sponsor, or custodian of assets held in any plan governed by the Employee
30 Retirement Income Security Act of 1974, 29 U.S.C. 1001 et seq., or in any other retirement or

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1 employee benefit plan has an insurable interest in the lives of its employees, former employees and
2 retirees for the purpose of funding, in the aggregate, all or part of the entity's cost for preretirement
3 and postretirement medical, death, disability and pension benefits to its employees, former
4 employees, retirees or their beneficiaries, as long as an insurance program used to finance these
5 employee benefits includes former employees, retirees or a broad class of employees selected by
6 objective standards related to service, or category of employment and that the proceeds created by
7 that insurance program are used for the sole purpose of funding the corporation's preretirement or
8 postretirement benefit programs covering at least a broad class of employees.

9 (1) Employers shall notify eligible employees of their proposed participation in the
10 plan and the employees shall be given an opportunity to refuse to participate. On a prospective
11 basis, employers shall obtain written consent of each individual being insured. Consent shall
12 include an acknowledgment that the employer may maintain the life insurance coverage even after
13 the insured individual's employment has terminated and the employee may not revoke their consent.

14 (2) An employer shall not retaliate in any manner against an employee or a retired
15 employee for refusing to consent to be insured.

16 (3) For non-key or non-managerial employees, the amount of coverage shall be
17 reasonably related to the benefits provided to the employees.

18 (4) With respect to employer provided pension and welfare benefit plans, the life
19 insurance coverage purchased to finance the plans should only be allowed on the lives of those
20 employees and retirees who, at the time their lives are first insured under the plan, would be eligible
21 to participate in the plan.

22 II. An insurable interest shall exist at the time the policy or contract is issued. No policy or
23 annuity can exist without an insurable interest.

24 III. No life insurance policy or annuity contract may be issued unless the insured has
25 consented in writing to the issuance of such policy. The insured shall have the right to revoke their
26 consent at any time, except for plans issued as described in subparagraph I(e).

27 IV. If the beneficiary, assignee, or other payee under any contract made in violation of this
28 section receives from the insurer any benefits thereunder accruing upon the death, disablement, or
29 injury of the individual insured, the individual insured, or his or her executor or administrator, as
30 the case may be, may maintain an action to recover those benefits from the person so receiving them.

31 V. Any device, scheme, or artifice designed to give the appearance of an insurable interest
32 where there is no legitimate insurable interest violates this title and shall constitute insurance
33 fraud.

34 408:4 Form Review.

35 I. No policy, contract, certificate, document, or other form related to life insurance or
36 annuities shall be issued or delivered to any person in this state until a copy thereof has been

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1 submitted to the commissioner for review to determine whether it is in compliance with Title
2 XXXVII and rules adopted thereunder.

3 II. The commissioner may, within 30 days after the filing of any such form, disapprove such
4 form:

5 (a) If it contains a provision or provisions which are unjust, unfair, inequitable,
6 misleading, deceptive, or encourage misrepresentation of such policy; or

7 (b) If it does not comply with the requirements of Title XXXVII or rules adopted
8 thereunder.

9 III. If the commissioner disapproves a form, it shall be unlawful thereafter for the insurer to
10 issue the form or use it in connection with any policy, contract, or certificate. The commissioner
11 shall issue a notice of disapproval, specify the reasons for disapproval in the notice, and state that a
12 hearing shall be granted in accordance with RSA 400-A:17 upon request in writing by the insurer.

13 408:5 Subsequent Withdrawal of Approval. The commissioner may at any time, after a hearing
14 noticed in accordance with RSA 400-A:18, withdraw approval of any such form that does not comply
15 with the requirements of Title XXXVII or rules adopted thereunder. It shall be unlawful for the
16 insurer to issue the form or use it in connection with any policy after the effective date of such
17 withdrawal of approval.

18 408:6 Third Party Proceeds from Death Benefits. The lawful beneficiary of a life insurance
19 policy or annuity contract death benefit shall be entitled to its proceeds and all other benefits against
20 creditors and representatives of the insured person provided that, subject to the statute of
21 limitations, the amount of any premiums for said insurance paid in fraud of creditors, with interest
22 thereon, shall inure to the creditors' benefit from the proceeds of the policy.

23 408:7 Intent to Defraud. If it appears that the life insurance policy or annuity contract was
24 procured with the intent and effect of defrauding creditors of the person procuring the same, the
25 party receiving the money secured by the policy shall be liable to such creditors for the amount of all
26 premiums paid for such insurance with interest thereon. The company issuing the policy shall be
27 discharged of all liability thereon by payment of its proceeds in accordance with its terms, unless
28 before such payment, the company shall have written notice, by or on behalf of a creditor, of a claim
29 to recover for certain premiums paid in fraud of creditors with the certification of the amount
30 claimed.

31 408:8 Penalty. Any person who violates any provision of this chapter or any rule adopted
32 thereunder shall be subject to penalties as provided under RSA 400-A:15, III.

33 408:9 Retained Asset Accounts.

34 I. "Retained asset account" means any mechanism whereby the settlement of death benefits
35 payable under a life insurance policy or annuity contract is accomplished pursuant to a disclosure
36 document with the beneficiary, or the beneficiary's legal representative, by the insurer, or an entity

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1 acting on behalf of the insurer, depositing the proceeds into an account with check or draft writing
2 privileges pursuant to a disclosure document.

3 II. An insurer may not transfer funds to a retained asset account unless the beneficiary or
4 the beneficiary's legal representative has elected to receive funds through a retained asset account
5 after receiving written information describing the settlement options available under the policy or
6 contract and any other option available to the beneficiary for the receipt of proceeds.

7 III. The insurer shall provide written disclosures to the beneficiary, or the beneficiary's legal
8 representative, of the death benefit that clearly provides the rights of the beneficiary and the
9 obligations of the insurer before the retained asset account is selected. Such disclosures shall
10 include the following:

11 (a) Payment of the full benefit amount is accomplished by delivery of the draft book or
12 check book;

13 (b) One draft or check may be written to access the entire amount, including interest, of
14 the retained asset account at any time;

15 (c) Whether other available settlement options are preserved until the entire balance is
16 withdrawn or the balance drops below the insurer's minimum balance requirements;

17 (d) A statement identifying the account as either a checking account or a draft account
18 and an explanation of how the account works;

19 (e) Information about the account services provided and contact information where the
20 beneficiary may request and obtain more details about such services;

21 (f) A description of services provided at no charge and which services involve a fee, if
22 applicable;

23 (g) The frequency of statements showing the current account balance, the interest
24 credited, drafts or checks written, and any other account activity;

25 (h) The minimum interest rate to be credited to the account and how the actual interest
26 rate will be determined;

27 (i) The interest earned on the account may be taxable;

28 (j) Retained asset account funds held by insurance companies are not insured by the
29 Federal Deposit Insurance Corporation but are guaranteed by the state guaranty association. The
30 beneficiary should be advised to contact the National Organization of Life and Health Insurance
31 Guaranty Associations via the association's website to learn more about the coverage limitations to
32 the account under a state guaranty association;

33 (k) A description of the insurer's policy regarding retained asset accounts that become
34 inactive;

35 (l) The contact information, including Internet website address, a telephone number,
36 and address, where the beneficiary may obtain additional information and answers to any questions;

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1 (m) The recommendation to consult a tax, investment, or other financial advisor
2 regarding tax liability and investment options; and

3 (n) A beneficiary for the account may be designated if no designation has previously
4 been made.

5 IV. The insurer shall deliver periodic statements to the beneficiary at least quarterly
6 detailing the account balance and any transactions.

7 408:10 Change in Beneficiary. Any change in beneficiary in a life insurance policy or annuity
8 contract shall comply with RSA 471-C:7, VII.

9 408:11 Interest Payment on Claims for Death Benefits.

10 I. Any policy or contract containing a death benefit shall contain a provision for the payment
11 of interest on the death benefit, as follows:

12 (a) Interest shall accrue and be payable from the date of death.

13 (b) Interest shall accrue at the rate or rates applicable to the policy for funds left on
14 deposit or, if the company has not established a rate for funds left on deposit, at the Two Year
15 Treasury Constant Maturity Rate as published by the Federal Reserve. In determining the effective
16 annual rate or rates, the company shall use the rate in effect on the date of death.

17 (c) Interest shall accrue at the effective annual rate determined in subparagraph (b),
18 plus additional interest at a rate of 10 percent annually, beginning with the date that is 31 calendar
19 days from the latest of dates identified in subparagraph (1) or (2), to the date the claim is paid,
20 where it is:

21 (1) The date that due proof of death is received by the company; or

22 (2) The date the company receives sufficient information to determine its liability,
23 the extent of the liability, and the beneficiary legally entitled to the proceeds.

24 II. The insurer has a duty to pay all claims in a timely manner. Nothing in this section shall
25 be construed to allow any life insurance company doing business in this state to withhold payment of
26 money payable under a life insurance policy or annuity contract death benefit to any beneficiary for
27 a period longer than reasonably necessary to transmit such payment.

28 III. In any case in which interest on the proceeds of, or payments under, any individual or
29 group policy of life insurance or annuity contract death benefit becomes payable pursuant to
30 paragraph I, the insurer shall notify each named beneficiary at the last known address, as evidenced
31 by the business records of the insurer, that interest will be paid on the proceeds of, or payments
32 under, such policy from the date of death of the named insured, if the company does not pay the
33 proceeds of, or payments under, the policy within 30 days of the insured's death. Such notice shall
34 specify the rate of interest to be paid.

35 408:12 Electronic Mail. Any notice or document required by this chapter to be mailed may be
36 transmitted to the recipient electronically in lieu of mail in accordance with RSA 420-Q:2.

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1 408:13 General Policy Requirements for Life Insurance. Every life insurance policy subject to
2 this chapter shall comply with the following:

3 I. Payment of premiums. There shall be a provision relating to the time and place of
4 payment of premiums.

5 II. Grace period. There shall be a provision that the policyholder is entitled to a grace period
6 for the premium due, except the first, during which grace period the death benefit coverage shall
7 continue in force, unless the policyholder has given the insurer written notice of discontinuance in
8 advance of the date of discontinuance and in accordance with the terms of the policy. The policy may
9 provide that the policyholder shall be liable to the insurer for the payment of a pro rata premium for
10 the time the policy was in force during such grace period. The commissioner may adopt rules to
11 establish the length of the grace period.

12 III. Entire contract. There shall be a provision that the policy, together with a copy of the
13 signed and completed application, shall constitute the entire contract between the parties.

14 IV. Incontestability. There shall be a provision that the policy shall be incontestable by the
15 insurer after it has been in force for 2 years during the lifetime of the insured. However, any
16 increase in the amount of the policy's death benefits subsequent to the policy issue date, which
17 occurred upon a new application or request of the owner and was subject to satisfactory proof of the
18 insured's insurability, shall be incontestable after the increase has been in force, during the lifetime
19 of the insured, for 2 years from the date of issue of increase.

20 V. Misstatement. If there is a misstatement of age or gender in the policy, the amount of
21 the death benefit shall be that which would be purchased by the most recent mortality charge at the
22 correct age or gender. The commissioner may approve other methods which are deemed satisfactory.

23 VI. Suicide. If the policy includes a suicide exclusion, such exclusion shall not apply after
24 the second anniversary of the effective date of the policy.

25 408:14 Group Life Insurance; Definitions. No policy or certificate of group life insurance shall
26 be issued or delivered in this state unless the policy is issued to a group that conforms to one of the
27 following descriptions:

28 I. A policy issued to an employer, or to the trustees of a fund established by an employer,
29 which employer or trustees shall be deemed the policyholder, to insure employees of the employer for
30 the benefit of persons other than the employer, subject to the following requirements:

31 (a) The employees eligible for insurance under the policy shall be all of the employees of
32 the employer or all of any class or classes thereof, determined by conditions pertaining to their
33 employment. The policy may provide that the term "employees" shall include the employees of one
34 or more subsidiary corporations and the employees, individual proprietors, and partners of one or
35 more affiliated corporations, proprietors, or partnerships, if the business of the employer and of such
36 affiliated corporations, proprietors, or partnerships is under common control through stock
37 ownership, contract, or otherwise. The policy may provide that the term "employees" shall include

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1 the individual proprietor or partners, if the employer is an individual proprietor or a partnership.
2 The policy may provide that the term "employees" may include retired employees, former employees,
3 and directors of a corporate employer. A policy issued to insure the employees of a public body may
4 provide that the term "employee" shall include elected or appointed officials.

5 (b) The premium for the policy shall be paid by the policyholder, either from the
6 employer's funds, or from funds contributed by the insured employees, or from both. A policy on
7 which no part of the premium is to be derived from funds contributed by the insured employees shall
8 insure all eligible employees, or all except any as to whom evidence of individual insurability is not
9 satisfactory to the insurer.

10 II. A policy issued to a creditor or its parent holding company or to the trustees of a fund
11 established by one or more creditors, which creditor or trustees shall be deemed the policyholder, to
12 insure debtors of the creditor or creditors, subject to the following requirements:

13 (a) The debtors eligible for insurance under the policy shall be all the debtors of the
14 creditor or creditors or all of any class or classes thereof. The policy may provide that the term
15 "debtors" shall include:

16 (1) Borrowers of money or purchasers or lessees of goods, services, or property for
17 which payment is arranged through a credit transaction;

18 (2) The debtors of one or more subsidiary corporations; and

19 (3) The debtors of one or more affiliated corporations, proprietors, or partnerships, if
20 the business of the policyholder and of such affiliated corporations, proprietors, or partnerships is
21 under common control through stock ownership, contract, or otherwise.

22 (b) The premium for the policy shall be paid by the policyholder, either from the creditor
23 or creditors' funds, or from charges collected from the insured debtors, or from both. A policy on
24 which no part of the premium is to be derived from funds contributed by insured debtors specifically
25 for their insurance shall insure all eligible debtors, or all except any as to whom evidence of
26 individual insurability is not satisfactory to the insurer.

27 (c) The amount of insurance on the life of any debtor shall at no time exceed the greater
28 of the scheduled or actual amount of unpaid indebtedness to the creditor.

29 (d) The insurance shall be payable to the policyholder. Such payment shall reduce or
30 extinguish the unpaid indebtedness of the debtor to the extent of the payment and any excess of the
31 insurance shall be payable to the estate of the insured.

32 (e) Notwithstanding the provisions of subparagraphs (a)-(d), insurance on agricultural
33 credit transaction commitments may be written up to the amount of the loan commitment on a non-
34 decreasing or level term plan. Insurance on educational credit transaction commitments may be
35 written up to the amount of the loan commitment less the amount of any repayments made on the
36 loan,

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1 III. A policy issued to a labor union or similar employee organization, which shall be deemed
2 the policyholder, to insure members of such union or organization for the benefit of persons other
3 than the union or any of its officials, representatives, or agents, subject to the following
4 requirements:

5 (a) The members eligible for insurance under the policy shall be all of the members of
6 the union or organization, or all of any class or classes thereof determined by conditions pertaining
7 to their employment, or to membership in the union or organization, or both.

8 (b) The premium for the policy shall be paid by the policyholder, either wholly from the
9 union's or organization's funds or partly from such funds and partly from funds contributed by the
10 insured members specifically for the insurance. A policy on which no part of the premium is to be
11 derived from funds contributed by the insured members specifically for their insurance shall insure
12 all eligible members, or all except any as to whom evidence of individual insurability is not
13 satisfactory to the insurer.

14 IV. A policy issued to the trustees of a fund established by 2 or more employers in the same
15 industry or by one or more labor unions or similar employee organizations, which trustees shall be
16 deemed the policyholder, to insure employees of the employers or members of the union(s) or
17 organizations for the benefit of persons other than the employers or the unions, subject to the
18 following requirements:

19 (a) The persons eligible for insurance shall be all of the employees of the employers or all
20 of the members of the unions, or all of any class or classes thereof determined by conditions
21 pertaining to their employment, or to membership in the unions, or to both. The policy may provide
22 that the term "employees" shall include the individual proprietor or partners if an employer is an
23 individual proprietor or a partnership. The policy may provide that the term "employees" shall
24 include the trustees or their employees, or both, if their duties are principally connected with such
25 trusteeship. The policy may provide that the term "employees" shall include retired employees,
26 former employees, and directors of a corporate employer.

27 (b) The premiums for the policy shall be paid by the policyholder either wholly from
28 funds contributed by the employers of the insured persons or partly from such funds and partly from
29 funds contributed by the insured employees. A policy on which no part of the premium is to be
30 derived from funds contributed by the insured members specifically for their insurance shall insure
31 all eligible members, or all except any as to whom evidence of individual insurability is not
32 satisfactory to the insurer.

33 V. A policy issued to a credit union or to the trustees of a fund established by one or more
34 credit unions, which credit union or trustees shall be deemed the policyholder to insure members of
35 such credit union or credit unions for the benefit of persons other than the credit union or credit
36 unions or trustees or any of their officials, subject to the following requirements:

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1 (a) The members eligible for insurance shall be all of the members of the credit union or
2 credit unions, or all of any class or classes thereof determined by conditions pertaining to
3 membership in the credit union or credit unions.

4 (b) The premium for the policy shall be paid by the policyholder, either wholly from the
5 funds of the credit union or credit unions, or partly from such funds and partly from funds
6 contributed by the insured members specifically for their insurance, or wholly from funds
7 contributed by the insured members specifically for their insurance. A policy on which no part of the
8 premium is to be derived from funds contributed by the insured members specifically for their
9 insurance shall insure all eligible members, or all except any as to whom evidence of individual
10 insurability is not satisfactory to the insurer.

11 VI. A policy issued to an association or trust of public employees formed for purposes other
12 than obtaining insurance, which association shall be deemed the policyholder, to insure members of
13 such association for the benefit of persons other than the association or any of its officials, subject to
14 the following requirements:

15 (a) The persons eligible for insurance under the policy shall be all of the members of the
16 association, or all of any class or classes thereof determined by conditions pertaining to their
17 employment, or to membership in the association, or both.

18 (b) The premium for the policy shall be paid by the policyholder, either from the
19 association's own funds, or charges collected from the insured members specifically for insurance, or
20 from both. A policy on which no part of the premium is to be derived from funds contributed by the
21 insured members specifically for their insurance shall insure all eligible members, or all except any
22 as to whom evidence of individual insurability is not satisfactory to the insurer.

23 (c) As used herein, "public employees" means employees of the United States
24 government, or of any state, county, municipality, or political subdivision, or instrumentality of any
25 of them.

26 VII.(a) A policy or certificate issued to a resident of this state under a group life insurance
27 policy may be issued to a group other than one described in paragraphs I through VI provided the
28 commissioner finds that:

29 (1) The issuance or delivery of the policy or certificate is not contrary to the best
30 interest of the public.

31 (2) The issuance or delivery of the policy or certificate would result in economies of
32 acquisition or administration.

33 (3) The benefits are reasonable in relation to the premiums charged.

34 (4) The premium for the policy shall be paid either from the policyholder's funds or
35 from funds contributed by the covered persons, or from both, and shall insure all eligible covered
36 persons, or all except any as to whom evidence of individual insurability is not satisfactory to the
37 insurer.

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1 (b) If the commissioner has approved a discretionary group, it shall be the responsibility
2 of the insurer to verify that the group continues to meet the discretionary group requirements.

3 (c) Any filing made in relation to a discretionary group life insurance policy or certificate
4 that was approved by the department prior to July 1, 2009 shall be deemed to meet the requirements
5 of this paragraph, unless the commissioner acts at any time to revoke such approval after a hearing
6 pursuant to RSA 400-A:17.

7 (d) The commissioner may, after a hearing held pursuant to RSA 400-A:17, withdraw
8 approval of a discretionary group if the commissioner finds such a group no longer meets the
9 requirement of this paragraph.

10 VIII. Notwithstanding the above, any such policy of group life insurance issued pursuant to
11 paragraphs I-VII may be extended to provide group life insurance for an employee, or other member
12 of the group, his or her spouse, child or children, or other dependents.

13 408:15 Group Standard Provisions. No policy or certificate of group life insurance, or any form
14 attached to a policy or certificate of group life insurance, shall be delivered or issued for delivery in
15 this state to a resident of this state unless it contains in substance the following provisions, or
16 provisions which in the opinion of the commissioner are more favorable to the persons insured, or at
17 least as favorable to the persons insured and more favorable to the policyholder or certificate holder,
18 provided, however, that (a) provisions in paragraphs II-VIII inclusive shall not apply to policies
19 issued to a creditor to insure debtors of such creditor or to policies issued to a credit union to insure
20 members of such credit union; and (b) if the group life insurance policy is on a plan of insurance
21 other than the term plan, it shall contain a nonforfeiture provision or provisions which, in the
22 opinion of the commissioner, is or are equitable to the insured persons and to the policyholder or
23 certificate holder, but nothing herein shall be construed to require that group life insurance policies
24 and certificates contain the same nonforfeiture provisions as are required for individual life
25 insurance policies:

26 I. A provision setting forth the conditions, if any, under which the insurer reserves the right
27 to require a person eligible for insurance to furnish evidence of individual insurability satisfactory to
28 the insurer as a condition to part or all of his or her coverage.

29 II. A provision that any sum becoming due, by reason of the death of the person insured,
30 shall be payable to the beneficiary designated by the person insured, subject to the provisions of the
31 policy. In the event there is no living designated beneficiary as to all or any part of such sum at the
32 death of the person insured, the insurer may, subject to any right reserved by the insurer in the
33 policy and set forth in the certificate, pay at its option a part of such sum, not exceeding \$2,000, to
34 any person appearing to the insurer to be equitably entitled thereto by reason of having incurred
35 funeral or other expenses incident to the last illness or death of the person insured.

36 III. A provision that the insurer will issue to the policyholder, for delivery to each person
37 insured, an individual certificate setting forth a statement as to the insurance protection to which he

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1 or she is entitled, to whom the insurance benefits are payable, and the rights and conditions set forth
2 in paragraphs IV, V, VI, and VII following.

3 IV. A provision that if the insurance, or any portion of it, on a person covered under the
4 policy, or on the dependent of a person covered, ceases because of termination of employment or of
5 membership in the class or classes eligible for coverage under the policy, such person shall be
6 entitled to a right of conversion. The right of conversion entitles such person to have an individual
7 life insurance policy issued by the insurer, without evidence of insurability and without disability or
8 other supplementary benefits.

9 (a) Application for the individual policy shall be made, and the first premium paid to the
10 insurer, within 31 days after such termination.

11 (b) The individual policy shall, at the option of such person, be on any one of the forms,
12 except term insurance, then customarily issued by the insurer at the age and for the amount applied
13 for.

14 (c) The individual policy shall be in an amount not in excess of the amount of life
15 insurance which ceases because of such termination, provided that any amount of insurance which
16 shall have matured, on or before the date of such termination, as an endowment payable to the
17 person insured, whether in one sum or in installments in the form of an annuity, shall not, for the
18 purposes of this provision, be included in the amount which is considered to cease because of such
19 termination.

20 (d) The premium on the individual policy shall be at the insurer's then customary rate
21 applicable to the form and amount of the individual policy, to the class of risk to which such person
22 then belongs, and to the person's age attained on the effective date of the individual policy. Subject
23 to the same conditions set forth in subparagraphs (a)-(c), the conversion privilege shall be available:

24 (1) To a surviving dependent, if any, at the death of the employee or member, with
25 respect to the coverage under the group policy that terminates by reason of the death; and

26 (2) To the dependent of the employee or member upon termination of coverage of the
27 dependent, while the employee or member remains insured under the group policy, by reason of the
28 dependent ceasing to be a qualified family member under the group policy.

29 (e) The suicide provision of the individual policy shall no longer apply after the second
30 anniversary of the effective date of the group life insurance from which the conversion was made.

31 (f) The individual policy shall not be contestable after the second anniversary of the
32 effective date of the group life insurance from which conversion was made.

33 V. A portability option, including for term insurance, may be offered, in addition to and not
34 in lieu of the conversion right, when coverage ceases because of termination of employment or of
35 membership in the class or classes eligible for coverage under the group policy, provided the
36 subsequent policy, certificate, and group meet all the requirements in this chapter. The portability
37 option, if offered, shall be made available to all employees or members, without evidence of

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1 insurability and regardless of the reason for the termination of employment or of membership in the
2 class or classes eligible for coverage. Portability may be provided through a group life portability
3 trust, established and maintained in New Hampshire and solely for the purpose of making ported
4 life insurance available to employees or members whose coverage would terminate under the group
5 life policy, provided it meets the requirements of a discretionary group as provided under RSA
6 408:14, VII and is approved by the commissioner.

7 VI. A provision that, if the group policy terminates or is amended so as to terminate the
8 insurance of any class of insured persons, every person insured thereunder at the date of such
9 termination whose insurance terminates, including the insured dependent of a covered person, and
10 who has been so insured for at least 5 years prior to such termination date shall be entitled to have
11 issued by the insurer an individual policy of life insurance, subject to the same conditions and
12 limitations as are provided by paragraph IV, except that the group policy may provide that the
13 amount of such individual policy shall not exceed the smaller of:

14 (a) The amount of the person's life insurance protection ceasing because of the
15 termination or amendment of the group policy, less the amount of life insurance for which he or she
16 is or becomes eligible under any group policy issued or reinstated by the same or another insurer
17 within 31 days after such termination, or

18 (b) \$10,000.

19 VII. If an individual insured under a group life insurance policy hereafter delivered in this
20 state becomes entitled under the terms of the policy to have an individual policy or ported coverage
21 certificate of life insurance issued without evidence of insurability, subject to making an application
22 and payment of the first premium within the period specified in the policy, and if the individual is
23 not given notice of the existence of the right at least 15 days prior to the expiration date of the
24 period, then in that event, the individual shall have an additional period within which to exercise the
25 right, but nothing herein contained shall be construed to continue any insurance beyond the period
26 provided in the policy. This additional period shall expire 15 days after the individual is given
27 notice, but in no event shall the additional period extend beyond 60 days after the expiration date of
28 the period provided in the policy. It shall be the responsibility of the insurer to notify the individual
29 of the right to elect conversion coverage. Written notice presented to the individual or mailed by the
30 policyholder to the last known address of the individual or mailed by the insurer to the last known
31 address of the individual as furnished by the policyholder shall constitute adequate notice for the
32 purpose of this paragraph.

33 VIII. A provision that if a person insured under the group policy dies during the period
34 within which he or she would have been entitled to have an individual policy or ported coverage
35 certificate issued to him or her in accordance with paragraph IV, V, or VI, and before such coverage
36 shall have become effective, the amount of life insurance which he or she would have been entitled to

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1 have issued to him or her shall be payable as a claim under the group policy, whether or not
2 application for the individual policy or the payment of the first premium therefor has been made.

3 IX. Whenever any policy of group life insurance extends group life insurance to the spouse,
4 child or children, or other dependents of an employee, or other member of the group, and if the
5 coverage of any dependent of any employee or member of the group insured by such policy who is
6 mentally or physically incapable of earning a living on the date as of which such dependent's status
7 as a covered family member would otherwise expire because of age, shall continue under such policy
8 while such policy remains in force or is replaced by another group policy as long as such incapacity
9 continues and as long as the dependent remains chiefly financially dependent on the employee or
10 member of the group or the employee or the employee's estate is chargeable for the care of the
11 dependent, provided that due proof of such incapacity is received by the insurer within 31 days of
12 such expiration date. If such coverage is continued in accordance with this paragraph, such
13 dependent shall be entitled upon termination of such incapacity to a converted policy in accordance
14 with and subject to the terms and conditions of the conversion privilege clause, if such privilege is
15 afforded by the policy, provided that such dependent has not attained the limiting age, if any, for
16 conversion of adults specified in the policy.

17 408:16 Assignment of Interest. Subject to the terms of the policies relating to assignment of
18 incidents of ownership thereunder, a person whose life is insured under a group life insurance policy
19 may assign any and all incidents of ownership granted him or her under such policy or by law,
20 including but not limited to the right to designate a beneficiary, to exercise the conversion privilege,
21 to have an individual policy issued to him or her, and to pay premiums. This provision shall be
22 construed as declaring the law as it existed prior to its enactment and not as modifying it.

23 408:17 Continuation of Coverage During Labor Disputes. Any employee whose compensation
24 includes group life insurance, the premiums for which are paid in full or in part by an employer,
25 including the state of New Hampshire, its political subdivisions, or municipal corporations, or paid
26 by payroll deduction, may pay the premiums as they become due directly to the policyholder
27 whenever the employee's compensation is suspended or terminated directly or indirectly, as the
28 result of a strike, lockout, or other labor dispute, for a period not exceeding 6 months and at the rate
29 and coverages as the policy provides.

30 I. During said 6-month period, the policy may not be altered or changed, except that nothing
31 in this section shall be deemed to impair the right of the insurer to make normal decreases or
32 increases of the premium rate upon expiration and renewal of the policy, in accordance with the
33 provisions of the policy.

34 II. When the employee's compensation is so suspended or terminated, the employee shall be
35 notified immediately by the policyholder in writing, by mail addressed to the last address on record
36 with the policyholder, that the employee may pay the premiums to the policyholder as they become
37 due as provided in this section.

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1 insurability, shall be incontestable after the increase has been in force, during the lifetime of the
2 insured, for 2 years from the date of issue of increase.

3 V. Misstatement. If there is a misstatement of age or gender in the contract, the amount of
4 the death benefit shall be that which would be purchased by the most recent mortality charge at the
5 correct age or gender. The commissioner may approve other methods which are deemed satisfactory.

6 408:20 Group Annuities Defined. No group annuity may be delivered or issued for delivery in
7 this state to a group which does not meet the definition of group annuity as defined in rules. The
8 commissioner may promulgate rules defining groups for annuities.

9 Separate Accounts

10 408:21 Definitions.

11 I. "Separate account" shall mean a segregated investment account maintained by an
12 insurance company.

13 II. "Variable products " shall mean any life insurance policy or annuity contract issued by an
14 insurance company which provides that the dollar amount of benefits or other contractual payments
15 thereunder may vary according to the investment experience of any separate account or accounts
16 maintained by the insurance company in which amounts received in connection with such policies or
17 contracts have been placed. Variable products shall not be deemed subject to RSA 421-B.

18 408:22 Authorization. A domestic life insurance company may establish one or more separate
19 accounts, and may allocate thereto amounts, including, without limitation, proceeds applied under
20 optional modes of settlement or under dividend options, to provide for life insurance or annuities and
21 benefits incidental thereto, payable in fixed or variable amounts or both.

22 408:23 Operation of Separate Accounts.

23 I. The income, gains, and losses, realized or unrealized, from assets allocated to a separate
24 account shall be credited to or charged against the account, without regard to other income, gains, or
25 losses of the company.

26 II. Notwithstanding any inconsistent provision in this chapter or in any section of the
27 general statutes, the amounts allocated to any separate account and accumulations thereon may be
28 invested and reinvested without regard to any requirements or limitations prescribed by the laws of
29 this state governing the investments of life insurance companies, and the investments in such
30 separate account or accounts shall not be taken into account in applying the investment limitations
31 otherwise applicable to the investments of the company.

32 III. Except with the approval of the commissioner and under such conditions as to
33 investments and other matters as the commissioner may prescribe, which shall recognize the
34 guaranteed nature of the benefits provided, reserves for benefits guaranteed as to dollar amount and
35 duration, and funds guaranteed as to principal amount or stated rate of interest, shall not be
36 maintained in a separate account.

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1 IV. Unless otherwise approved by the commissioner, assets allocated to a separate account
2 shall be valued at their market value on the date of valuation, or if there is no readily available
3 market, then as provided under the terms of the contract or the rules or other written agreement
4 applicable to the separate account, provided that, unless otherwise approved by the commissioner,
5 the portion, if any, of the assets of the separate account equal to the company's reserve liability, with
6 regard to the guaranteed benefits and funds referred to in paragraph III, shall be valued in
7 accordance with the rules otherwise applicable to the company's assets.

8 V. No sale, exchange, or other transfer of assets may be made by a company between any of
9 its separate accounts or between any other investment account and one or more of its separate
10 accounts unless, in case of a transfer into a separate account, the transfer is made solely to establish
11 the account or to support the operation of the contracts, with respect to the separate account to
12 which the transfer is made, and unless the transfer, whether into or from a separate account, is
13 made by a transfer of cash or by a transfer of securities having a readily determinable market value,
14 provided that the transfer of securities is approved by the commissioner. The commissioner may
15 approve other transfers among the accounts if, in his or her opinion, the transfers would not be
16 inequitable.

17 408:24 Insurance Company Not a Trustee. Amounts allocated by an insurance company to
18 separate accounts in the exercise of the power granted by this chapter shall be owned by the
19 insurance company, and the insurance company shall not be, or hold itself out to be, a trustee in
20 respect to such amounts. To the extent so provided under the applicable contracts, that portion of
21 the assets of any such separate account equal to the reserves and other contract liabilities, with
22 respect to the account, shall not be chargeable with liabilities arising out of any other business the
23 insurance company may conduct.

24 408:25 Managing Business of Separate Account. To the extent the insurance company deems it
25 necessary to comply with any applicable federal or state laws, the insurance company, with respect
26 to a separate account, including, without limitation, any separate account that is a management
27 investment company or a unit investment trust, may provide for persons, having an interest therein
28 appropriate, voting and other rights and special procedures for the conduct of the business of the
29 account, including, without limitation, special rights and procedures relating to investment policy,
30 investment advisory services, selection of independent public accountants, and the selection of a
31 committee, the members of which need not be otherwise affiliated with the company, to manage the
32 business of the account.

33 Variable Products

34 408:26 Qualification of Companies; Subsidiaries and Affiliates.

35 I. No company shall issue for delivery within this state variable products unless it is
36 licensed to do so in this state.

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1 II. A variable product license will only be issued to a company licensed in this state to
2 conduct life insurance and annuity business if the commissioner is satisfied that the life insurance
3 company's condition or method of operation in connection with the issuance of variable products will
4 not render its operation hazardous to the public or its policyholders in this state. In this connection,
5 the commissioner shall consider, among other things:

6 (a) The history and financial condition of the company;

7 (b) The character, responsibility, and fitness of the officers and directors of the company;

8 and

9 (c) The law and regulation under which the company is authorized in the state of
10 domicile to issue variable products. The state of entry of an alien company shall be deemed its place
11 of domicile for this purpose.

12 III. If the company is a subsidiary of an admitted life insurance company, or affiliated with
13 such company through common management or ownership, it may be deemed by the commissioner
14 to have met the provisions of this section if either it or the parent or the affiliated company meets
15 the requirements hereof.

16 408:27 Certificate. Upon licensure of any insurance company to issue variable products, a
17 certificate shall be issued stating the name and the fact that the company has been licensed as a life
18 insurance company authorized to issue variable products. The certificate shall be in such form as
19 the commissioner may determine but shall state in bold type that the commissioner does not
20 recommend and assumes no responsibility for variable products offered by the licensee. Certified
21 copies of this certificate shall be furnished to the licensee for a fee as specified in RSA 400-A:29.

22 408:28 Variable Product Provisions. Any variable product issued or delivered in this state, and
23 any certificate evidencing variable benefits issued pursuant to any such product on a group basis,
24 shall contain a statement of the essential features of the procedure to be followed by the insurance
25 company in determining the dollar amount of the variable benefits, or other contractual payments or
26 values thereunder, and shall state in clear terms that such amount may decrease or increase
27 according to such procedure. Any such product issued or delivered in this state and any such
28 certificate shall contain on its first page, in a prominent position, a clear statement that the benefits,
29 or other contractual payments or values thereunder, are on a variable basis.

30 408:29 Variable Products and Separate Accounts. Any domestic life insurance company which
31 issues variable products shall establish one or more separate accounts known as variable product
32 accounts. Variable product accounts shall comply with all the requirements of separate accounts,
33 pursuant to RSA 408:21-25.

34 408:30 Limitations. Investments and liabilities of a variable product account shall at all times
35 be clearly identifiable and distinguishable from the other investments and liabilities of the company.
36 No investments of a variable product account shall be pledged or transferred as collateral for a loan.

37 408:31 Investments.

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1 I. The assets of a variable product account may be invested in any real estate or tangible or
2 intangible personal property which is a legal investment for a life insurance company, and, in
3 addition, such assets may be invested wholly or partly in common stock, in preferred stocks, or in
4 other equities which are, at the time of their purchase, either listed or admitted to trading on a
5 security exchange located in the United States of America or Canada, or are publicly traded on the
6 over-the-counter market and as to which market quotations are available, provided that no more
7 than 5 percent of the assets in any variable product account may be invested in the securities of any
8 one company and not more than 10 percent of any class of securities of any company shall be
9 acquired.

10 II. Unless otherwise approved by the commissioner, assets allocated to a variable product
11 account shall be valued at their market value on the date of valuation or, if there is no readily
12 available market, as provided under the terms of the contract or policy, or the rules or other written
13 agreement applicable to such variable product account, provided that, unless otherwise approved by
14 the commissioner, the portion, if any, of the assets of such variable product account equal to the
15 company's reserve liability, with regard to the guaranteed benefits and funds referred to in RSA
16 408:32, shall be valued in accordance with the rules otherwise applicable to the company's assets.

17 408:32 Reserves. Except with the approval of the commissioner and under such conditions as to
18 investments and other matters as he or she may prescribe, which shall recognize the guaranteed
19 nature of the benefits provided, reserves for (a) benefits guaranteed as to dollar amount and
20 duration and (b) funds guaranteed as to principal amount or stated rate of interest shall not be
21 maintained in a variable product account. The reserve liability for variable products shall be
22 established by the insurance commissioner pursuant to the requirements of RSA 410, the standard
23 valuation law, in accordance with actuarial procedures that recognize the variable nature of the
24 benefits provided.

25 408:33 Deposit of Securities. Any company organized under the laws of this state, which has
26 been authorized by the commissioner to issue variable products, shall deposit all securities
27 representing the assets of a segregated fund for a variable product account, and all uninvested cash
28 of such a fund, with a custodian which shall be a bank or trust company, either within or without the
29 state of New Hampshire, approved by the commissioner.

30 408:34 Advertising.

31 I. Only a life insurance company licensed to issue variable products in this state may, in this
32 state, by direct solicitation or through agents or producers, or by letter, circular, or advertising, sell,
33 offer for sale, or invite offers for or inquiries about variable products and only if it is licensed to do so
34 under the provisions of this chapter.

35 II. No insurance company or producer authorized to issue variable products shall advertise
36 publicly the fact of his or her license or use such fact or the license certificate in connection with any

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1 sale or effort to sell variable products, except by statement of the fact or by exhibiting the certificate
2 or a certified copy thereof.

3 408:35 Prohibiting Sales. If the commissioner is of the opinion that any variable product is of
4 such a character that there is a serious financial danger to the purchaser in buying it, or that the
5 circulars and advertisements do not disclose pertinent facts sufficient to enable intending purchasers
6 to form a correct judgment of the nature and value of the variable product, the commissioner may
7 prohibit the sale or advertisement of said variable product.

8 408:36 Qualification of Variable Products. Except for RSA 409:2, in the case of a variable life
9 insurance policy, and except as otherwise provided in this chapter, all pertinent provisions of Title
10 XXXVII shall apply to separate accounts and products relating thereto. Any variable life insurance
11 or annuity contract delivered or issued for delivery in this state shall comply with all respective
12 requirements of this chapter.

13 408:37 False Statement.

14 I. Whoever violates any provisions of RSA 408:26-36, inclusive, or knowingly files with the
15 commissioner, or furnishes to him or her any false or misleading statements or information, shall be
16 guilty of a class B felony, if a natural person, or guilty of a felony if any other person.

17 II. Any false or misleading statements or information furnished to the commissioner shall be
18 evidence that any sales of such variable products made thereafter were made on false representation
19 in a suit to recover damages on account of loss sustained through the purchase thereof.

20 144:2 New Hampshire Trust Code; Reference Change. Amend RSA 564-B:5-505(d)(1) to read as
21 follows:

22 (1) The proceeds and any other benefits of a policy of life or endowment insurance
23 effected by a settlor, a trustee, or any other person on the settlor's life or another individual's life as
24 provided in RSA [408:2] **408:6**; or

25 144:3 Fraternal Benefit Societies; Reference Change. Amend RSA 418:31, II to read as follows:

26 II. Any person who acts in violation of this section shall, in addition to any penalties or
27 forfeiture with the power of the commissioner, be subject to the provisions of RSA 402-J [~~and RSA~~
28 **408:8**].

29 144:4 Long-Term Care Insurance Act; Reference Changed. Amend RSA 415-D:9, VI to read as
30 follows:

31 VI. In the event of the death of the insured, this section shall not apply to the remaining
32 death benefit of a life insurance policy that accelerates benefits for long-term care. In this situation,
33 the remaining death benefits under these policies shall be governed by RSA [408:10] **408:13**. In all
34 other situations, this section shall apply to life insurance policies that accelerate benefits for long-
35 term care.

36 144:5 Regulation of Small Loans, Title Loans, and Payday Loans; Reference Change. Amend
37 RSA 399-A:15, XII to read as follows:

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1 XII. Credit life insurance, credit accident and health insurance, and credit involuntary
2 unemployment insurance may be issued in connection with a loan or other credit transaction
3 authorized by this chapter in compliance with the provisions of RSA [~~408:15, II~~] **408:14** and the cost
4 of such insurance and any commission, benefit, or return to the lender therefrom shall not be
5 deemed a violation of any provision of this chapter; provided, however, that if there is more than one
6 borrower or obligor on any such loan or credit transaction, credit life insurance providing a single
7 benefit may cover both borrowers or obligors.

8 144:6 Producer Licensing; Reference Change. Amend RSA 402-J:1, II to read as follows:

9 II. This chapter applies to all persons required to be a licensed producer pursuant to the
10 provisions of RSA 402:15; RSA 405:15; RSA 405:24; RSA 405:44-a; RSA 405:44-b; RSA 406-C:3; RSA
11 407-C:3; [~~RSA 408:42;~~] RSA 416-A:15; RSA 418:31; RSA 420-A:7; RSA 420-B:18; RSA 420-F:3; and
12 New Hampshire code of administrative rules Ins 2501.03.

144:7 Effective Date. This act shall take effect January 1, 2023.

Approved: June 07, 2022
Effective Date: January 01, 2023

Committee Minutes

SENATE CALENDAR NOTICE

Commerce

Sen Harold French, Chair
 Sen Bill Gannon, Vice Chair
 Sen Jeb Bradley, Member
 Sen Donna Soucy, Member
 Sen Kevin Cavanaugh, Member

Date: December 20, 2021

HEARINGS

	Tuesday	01/18/2022
	(Day)	(Date)
Commerce		State House 100
(Name of Committee)		9:00 a.m.
9:00 a.m.	SB 207	relative to administrative fee credit for insurance company external review.
9:15 a.m.	SB 208	relative to life insurance.
9:30 a.m.	SB 331	relative to waivers of deductibles in automobile insurance policies.
9:45 a.m.	SB 347-FN	relative to the use of protected health information by employers.
10:00 a.m.	SB 354	relative to insurance adjuster licensing, insurance producer licensing fees, and the sale of credit life and credit accident and health insurance policies by banks.

EXECUTIVE SESSION MAY FOLLOW

Sponsors:

SB 207

Sen. French
 Sen. Gannon
 Rep. Potucek

Sen. Hennessey
 Sen. Carson

Sen. Reagan
 Sen. Soucy

Sen. Avard
 Rep. Hunt

SB 208

Sen. Cavanaugh

Sen. Bradley

Rep. Hunt

Rep. Abel

SB 331

Sen. Soucy

Sen. Cavanaugh

SB 347-FN

Sen. Daniels
 Rep. Cushman

Rep. Layon
 Rep. Erf

Rep. Potucek

Rep. Wuelper

SB 354

Sen. Soucy
 Rep. Potucek

Sen. Bradley

Sen. Cavanaugh

Rep. Bartlett

Aaron Jones 271-4063

Harold F. French
 Chairman

Senate Commerce Committee

Aaron Jones 271-4063

SB 208, relative to life insurance.

Hearing Date: January 18, 2022

Time Opened: 9:15 a.m.

Time Closed: 9:17 a.m.

Members of the Committee Present: Senators Cavanaugh, Soucy and Gannon

Members of the Committee Absent : Senators Bradley and French

Bill Analysis: This bill repeals and reenacts RSA 408 relative to life insurance.

This bill is a request of the insurance department.

Sponsors:

Sen. Cavanaugh
Rep. Abel

Sen. Bradley

Rep. Hunt

Who supports the bill: Senator Kevin Cavanaugh, Senator Jeb Bradley, Representative John Potucek, Commissioner Chris Nicolopoulos (NH Insurance Department), Marty Mobley (NH Insurance Department), George Roussos (NH Association of Domestic Insurance Companies)

Who opposes the bill: No one

Who is neutral on the bill: No one

Summary of testimony presented in support:

Senator Kevin Cavanaugh

- At the request of the NH Insurance Department, this bill would update and modernize RSA 408, which regulates life insurance.
- In 2020, SB 664 was introduced to remove outdated and obsolete provisions from RSA 408. That bill passed by a voice vote in the Senate; however, as a result of the pandemic, it was tabled in the House.
- This bill would remove outdated and obsolete provisions, while revising and bringing the remaining provisions up to date.
- The Department provided the Committee members with a section-by-section legend to detail all of the changes being proposed.

Chris Nicolopoulos, Commissioner, NH Insurance Department

- This bill is a result of a multi-year process undertaken by the Department to modernize RSA 408.
- Most provisions of RSA 408 are from the 1850s; thus, Commissioner Nicolopoulos said it is important to update definitions and references in that statute.
- Commissioner Nicolopoulos said the Department worked with all of the stakeholders that would be affected by this bill.

Summary of testimony presented in opposition: None

Neutral Information Presented: None

AJ
Date Hearing Report completed: January 18, 2022

Speakers

Senate Remote Testify

Commerce Committee Testify List for Bill SB208 on 2022-01-18

Support: 2 Oppose: 0

<u>Name</u>	<u>Title</u>	<u>Representing</u>	<u>Position</u>
Bradley, Senator Jeb	An Elected Official.	SD3	Support
Potucek, John	An Elected Official	Myself	Support

Testimony

TITLE XXXVII INSURANCE
CHAPTER 408
LIFE INSURANCE

408:1 Married Women.	Repeal – no longer necessary
408:2 Third Person.	Now 408:6 – Amended to simplify language
408:2-a Charitable Gifts of Life Insurance.	Incorporated into 408:3
408:2-b Subsequent Disapproval; Individual Policies.	Now 408:5 – Amended to make applicable to all forms
408:2-c Disapproval of Forms; Individual Policies.	Now 408:4 – Amended to make applicable to all forms
408:3 Intent to Defraud.	Now 408:7 – clarifies that it is applicable to life insurance policies and annuity contracts
408:4 Exception	Repeal – no longer necessary
408:5 Agents	Repeal – covered by 402-J
408:6 Receipt of Premiums.	Repeal – covered by 402-J
408:7 Soliciting Agent; Altering Application	Repeal – covered by 402-J
408:8 Penalties	Repeal – covered by 402-J
408:9 Policy Contract	Incorporated into 408:13
408:10 Incontestability	Incorporated into 408:13
408:10-a Interest Payment on Life Insurance Death Benefits	Now 408:11 – Amended to better align with national standards
408:11 Discrimination	Repeal – covered by RSA 417
408:12 Penalty	Now 408:8 – Amended to make consistent with RSA 400-A:15
408:13 False Representations	Repeal – covered by RSA 417
408:14 Fraternal Associations.	Repeal – no longer necessary, Fraternal Associations covered by RSA 418
408:15 Group Life Insurance; Definitions	Now 408:14 – amended to better align with current NAIC model law
408:16 Group Standard Provisions	Now 408:15 – updated to better align with current NAIC model law
408:16-a Assignment of Interest	Now 408:16
408:16-b Continuation of Coverage During Labor Disputes	Now 408:17
408:16-c Prohibited Provisions	Now 408:18
408:16-d Disapproval of Forms	Repeal – covered by amended RSA 408:2-c
408:16-e Subsequent Disapproval	Repeal – covered by amended RSA 408:2-b
408:17 Requirements	Repeal – not related to life insurance, no longer necessary, covered by RSA 405
408:18 Limitation Upon Licenses	Repeal – not related to life insurance, no longer necessary, covered by RSA 405
408:19 Provisions Applicable	Repeal – not related to life insurance, no longer necessary, covered by RSA 405
408:20 Trust Fund	Repeal – not related to life insurance, no longer necessary, covered by RSA 405
408:21 Exception	Repeal – not related to life insurance, no longer necessary, covered by RSA 405
408:22 Rule	Repeal – covered by RSA 402:30
408:23 Definition	Now 408:21
408:24 Authorization	Now 408:22

TITLE XXXVII INSURANCE
CHAPTER 408
LIFE INSURANCE

408:25 Operation of Separate Accounts	Now 408:23 – Amended to better align with model
408:26 Company Not a Trustee.	Now 408:24
408:27 Definition	Incorporated into 408:21
408:28 Qualification of Companies; Subsidiaries and Affiliates	Now 408:26
408:29 Contract Provisions	Now 408:29
408:30 Separate Accounts	Now 408:29 and parts incorporated into 408:23-25
408:31 Limitations.	Now 408:30
408:32 Investments	Now 408:31
408:33 Reserves	Now 408:32 – Gender neutrality changes
408:34 Deposit of Securities	Now 408:33
408:35 Registration Required	Now 408:34
408:36 Application Fee	Repeal – covered by RSA 402.56
408:37 Form, etc.	Repeal – covered by RSA 402.11, 402:11-a, and 405:11-a
408:38 Registration	Repeal – covered by RSA 402:11-a, 405:11, 405:11-a, and 405:12
408:39 Hearing.	Repeal – covered by RSA 400-A:17, and 400-A:18
408:40 Certificate.	Now 408:27 – Amended to remove outdated, onerous, and unnecessary requirements
408:41 Changes in Certificate.	Repeal as unnecessary
408:42 Registration Required	Repeal – covered by RSA 402-J
408:43 Appointment	Repeal – covered by RSA 402-J
408:44 Form	Repeal – covered by RSA 402-J
408:45 Appointment Record	Repeal – covered by RSA 402-J
408:46 Cancellation of Appointments.	Repeal – covered by RSA 402-J
408:47 Expiration of Registration	Repeal – covered by RSA 402:12
408:48 Renewal of Registrations	Repeal – covered by RSA 402:12
408:49 Renewal of Agent's Registration.	No Changes
408:50 Examination	Repeal – covered by RSA 408:2-c
408:51 Prohibiting Sales	Now 408:35
408:52 Qualification of Variable Contracts.	Now 408:36 – Updates language
408:53 Revocation, Insurance Corporation.	Repeal – covered by RSA 400-A:15
408:54 Effect	Repeal – covered by RSA 402
408:55 Revocation, Agent, etc.	Repeal – covered by RSA 402-J
408:56 Effect of Revocation.	Repeal – covered by RSA 402-J
408:57 Information to be Furnished.	Repeal – covered by RSA 400-A:16
408:58 Limitations	Repeal – covered by RSA 402-J:14
408:59 Possession of Certificate.	Repeal – outdated, onerous, and unnecessary requirement
408:60 Advertising Registration	Incorporated into 408:34
408:61 Notice of Commissioner's Requirements or Decisions	Repeal – covered by RSA 400-A:14
408:62 False Statement.	Now 408:37 – Amends citations and gender neutrality changes
408:63 Evidence	Incorporated into 408:37

Voting Sheets

Senate Commerce Committee

EXECUTIVE SESSION RECORD

2021-2022 Session

Bill # SB 208

Hearing date: 1/18/22

Executive Session date: 1/18/22

Motion of: OTR Vote: 5-0

Committee Member	Made by	Second	Yes	No
Sen. French, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Gannon, V-Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: Consent Vote: 5-0

Committee Member	Made by	Second	Yes	No
Sen. French, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Gannon, V-Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Motion of: _____ Vote: _____

Committee Member	Made by	Second	Yes	No
Sen. French, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Gannon, V-Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Cavanaugh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Soucy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reported out by: Sen Cavanaugh

Notes: _____

Committee Report

FOR THE CONSENT CALENDAR

COMMERCE

SB 208, relative to life insurance.

Ought to Pass, Vote 5-0.

Senator Kevin Cavanaugh for the committee.

This bill was filed at the request of the Insurance Department after a multi-year effort to update and modernize RSA 408. As a result of the COVID-19 pandemic, previous efforts to amend this statute were stalled. At the public hearing, the Committee heard that many provisions from RSA 408 date back to the 1850s.

Docket of SB208

Docket Abbreviations

Bill Title: relative to life insurance.*Official Docket of SB208.:*

Date	Body	Description
12/14/2021	S	To Be Introduced 01/05/2022 and Referred to Commerce; SJ 1
12/20/2021	S	Hearing: 01/18/2022, Room 100, SH, 09:15 am; SC 50
1/26/2022	S	Committee Report: Ought to Pass, 02/03/2022; Vote 5-0; CC; SC 5
2/3/2022	S	Ought to Pass: MA, VV; OT3rdg; 02/03/2022; SJ 2
3/23/2022	H	Introduced 03/17/2022 and referred to Commerce and Consumer Affairs
3/30/2022	H	Public Hearing: 04/06/2022 01:00 pm LOB 302-304
3/30/2022	H	Subcommittee Work Session: 04/07/2022 10:00 am LOB 302-304
4/13/2022	H	Executive Session: 04/20/2022 01:00 pm LOB 302-304
4/22/2022	H	Committee Report: Ought to Pass (Vote 18-0; CC)
5/4/2022	H	Ought to Pass: MA VV 05/04/2022 HJ 11
5/27/2022	S	Enrolled Adopted, VV, (In recess 05/26/2022); SJ 13
5/27/2022	H	Enrolled (in recess of) 05/26/2022 HJ 14
6/8/2022	S	Signed by the Governor on 06/07/2022; Chapter 0144; Effective 01/01/2023

NH House

NH Senate

Other Referrals

Senate Inventory Checklist for Archives

Bill Number: SB 208

Senate Committee: Commerce

Please include all documents in the order listed below and indicate the documents which have been included with an "X" beside

Final docket found on Bill Status

Bill Hearing Documents: {Legislative Aides}

Bill version as it came to the committee

All Calendar Notices

Hearing Sign-up sheet(s)

Prepared testimony, presentations, & other submissions handed in at the public hearing

Hearing Report

Revised/Amended Fiscal Notes provided by the Senate Clerk's Office

Committee Action Documents: {Legislative Aides}

All amendments considered in committee (including those not adopted):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

Executive Session Sheet

Committee Report

Floor Action Documents: {Clerk's Office}

All floor amendments considered by the body during session (only if they are offered to the senate):

___ - amendment # _____ ___ - amendment # _____

___ - amendment # _____ ___ - amendment # _____

Post Floor Action: (if applicable) {Clerk's Office}

___ Committee of Conference Report (if signed off by all members. Include any new language proposed by the committee of conference):

___ Enrolled Bill Amendment(s)

___ Governor's Veto Message

All available versions of the bill: {Clerk's Office}

___ as amended by the senate ___ as amended by the house

final version

Completed Committee Report File Delivered to the Senate Clerk's Office By:

Aaron Jonas
Committee Aide

7/8/22
Date

Senate Clerk's Office AK