



Senate

General Assembly

File No. 433

February Session, 2016

Senate Bill No. 283

Senate, April 4, 2016

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT REQUIRING LIFE INSURANCE COMPANIES TO INCLUDE CERTAIN INFORMATION WITH LIFE INSURANCE POLICY PROCEEDS PAYMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective October 1, 2016*) Each life insurance
2 company that pays, on or after October 1, 2016, the proceeds of a life
3 insurance policy shall include with such payment the information
4 needed for a beneficiary to complete an Internal Revenue Service Form
5 712 or any subsequent corresponding form adopted by the Internal
6 Revenue Service.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2016</i>	New section
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INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill requires life insurance companies to provide information needed for a beneficiary to complete an Internal Revenue Service Form 712. This does not result in a fiscal impact to the state or municipalities as it concerns interactions between private entities and individuals.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 283*****AN ACT REQUIRING LIFE INSURANCE COMPANIES TO INCLUDE CERTAIN INFORMATION WITH LIFE INSURANCE POLICY PROCEEDS PAYMENTS.*****SUMMARY:**

This bill requires any life insurance company that pays the proceeds of a life insurance policy after September 30, 2016 to include with the payment all information necessary for a beneficiary to complete IRS Form 712 or any subsequent corresponding form.

IRS Form 712 is used to calculate estate or gift tax. It documents the value of a life insurance policy when the insured dies or the policy is transferred as a gift. It requires, among other things, information on the beneficiary and decedent; policy value, including accumulated dividends; and premium payment.

EFFECTIVE DATE: October 1, 2016

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 15 Nay 3 (03/17/2016)