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NCOIL AMENDS ITS UNCLAIMED LIFE BENEFITS MODEL—ADOPTS UNANIMOUSLY

Burlington, VT, July 15, 2012—In an effort to stay abreast of recent developments, the NCOIL Executive Committee today unanimously adopted an amended *Model Unclaimed Life Insurance Benefits Act*. The model—previously adopted in November 2011—was approved by the NCOIL Life Insurance & Financial Planning Committee after prolonged and spirited debate on July 13 at a special working session.

Revisions to the model brought forward by the Life Committee require insurers to compare their in-force life insurance policies against the U.S. Social Security Death Master File (DMF) on a semi-annual basis; do not exempt government and church plans from the model; bar insurers' service providers, as well as insurers themselves, from charging policyholders service fees associated with DMF searches; and set up protocol for insurer conduct post-identification of potential matches. Also, a drafting note offers the possibility of a delayed effective date of up to one year to allow insurers to comply with the model.

Model sponsor and NCOIL Past President Rep. Robert Damron (KY) said, "This model law will go a long way to ensure that beneficiaries will no longer be denied access to benefits they are rightfully owed. By using the DMF for life insurance as they do for annuities, insurers will better serve the interests of life insurance consumers."

Regarding timing of matches, Rep. George Keiser (ND) said, "It is important that the NCOIL model requires life insurers to compare their in-force policies to the DMF on a semi-annual basis. This model will close regulatory gaps that have been harming consumers for far too long."

Other provisions of the model call for timely insurer efforts to confirm an insured or account holder's death, locate any beneficiaries, and provide claims forms and instructions. In the event that benefits go unclaimed, the model provides clear procedures for life insurers to notify state treasury departments and escheat the funds, per unclaimed property laws.

The model received input from, among others, representatives of the American Council of Life Insurers (ACLI), Center for Economic Justice (CEJ), Consumer Credit Industry Association (CCIA), National Alliance of Life Companies (NALC), National Association of Unclaimed Property Administrators (NAUPA), and the Vermont State Treasury.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

For further details or to be added to an e-mail list for upcoming conference call information, please contact the NCOIL National Office at 518-687-0178 or by email at mcarroll@ncoil.org.

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