

## FOR IMMEDIATE RELEASE

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### NCOIL MODEL TO ENSURE TIMELY PAYMENT OF DEATH BENEFITS

**Santa Fe, NM, November 20, 2011**—In an effort to ensure that consumers are made aware of their unclaimed property, the National Conference of Insurance Legislators (NCOIL) today unanimously approved a *Model Unclaimed Life Insurance Benefits Act*. Members of the Executive Committee put the finishing touches on the model law—which will require insurers to compare in-force life insurance policies and retained asset accounts with a U.S. Social Security Death Master File (DMF) to identify any matches—at the Annual Meeting here.

Model sponsor and NCOIL Past President Rep. Robert Damron (KY), said “At present, insurers are not using the DMF consistently to learn of policyholders’ deaths, leaving beneficiaries of life insurance policies in the dark and causing death benefits to remain in limbo. Life insurers need to utilize technology at hand, such as the DMF, to close regulatory gaps and to better serve life insurance consumers.”

NCOIL President Sen. Carroll Leavell (NM), said “As evidenced in highly publicized state third-party audits and ongoing state regulator and treasurer investigations, there is a clear need to modernize industry practices concerning unclaimed life insurance benefits. As we head into 2012 legislative sessions, the model provides a needed template for the states.”

The model requires that insurers match DMF records, or an equally comprehensive service, with in-force life insurance policies and retained asset accounts each quarter. It also calls 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 Executive Committee took action just two days after the Life Insurance & Financial Planning Committee amended and then approved model. Amendments made would require all life insurers to use the DMF and extended timeframes for insurer compliance, among other things.

The model law, originally drafted to amend the NCOIL *Beneficiaries’ Bill of Rights* on retained asset accounts, was introduced as a stand-alone bill in October. Legislators here also agreed to review the issue ongoing, including whether DMF searches should also be required of state unclaimed property departments.

Representatives of the American Council of Life Insurers (ACLI), Center for Insurance Research (CIR), Life Insurers Council (LIC), National Alliance of Life Companies (NALC), and National

Association of Unclaimed Property Administrators (NAUPA) were on hand to participate in the debate.

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](http://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 [jestey@ncoil.org](mailto:jestey@ncoil.org).

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