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NCOIL ADOPTS ENHANCED UNCLAIMED PROPERTY MODEL—PROVIDES VITAL UPDATE TO STATES

San Francisco, CA, November 28, 2014—The Executive Committee of the National Conference of Insurance Legislators (NCOIL) voted here on Sunday, November 23, to adopt an enhanced *Model Unclaimed Life Insurance Benefits Act* to provide contemporary guidance to the states. Following three years of extensive input and deliberations and most recently a series of conference calls of its Unclaimed Property Task Force from July through November, the model passed overwhelmingly at Task Force level and unanimously by the NCOIL Life Insurance & Financial Planning and Executive Committees. The model was originally passed by NCOIL in November 2011 and subsequently adopted in some form by 15 states.

Task Force Co-Chair Rep. Robert Damron (KY) said that “Our enhanced model reflects the current environment and will provide further guidance to states looking for an answer to their unclaimed property issues, as well as to the numerous states that had the wisdom to adopt its predecessor. NCOIL looks forward to working with states to effect the proper solution to this dilemma.”

Rep. George Keiser (ND), fellow Co-Chair, added that “Though no small task, we have worked in partnership with the NAIC and our Advisory Council to strike a balance for the states, their constituents, and industry. Our updated model evidences successful compromise between differing, often opposing, perspectives, including those of life insurers, regulators, unclaimed property officials and consumer representatives.”

The November 2014 model, among other things, affirms the initial model's retroactive provision, requiring life insurers to use the full DMF initially and allowing for searches via update files thereafter. Previously, the model required all searches to be conducted twice a year using the full DMF. The new model also clarifies existing definitions, as well as adds new ones, such as "knowledge of death," "retained asset account" and "record keeping services;" includes language relating to “fuzzy logic” in DMF searches; addresses interest payable in unclaimed property; clarifies initial unfair trade practices and effective date language; and adds a drafting note advising states to confirm constitutionality prior to passage.

The *Model Unclaimed Life Insurance Benefits Act* initially was adopted by NCOIL in November 2011. Since that time, 15 states, including Alabama, Georgia, Indiana, Iowa, Kentucky, Maryland, Mississippi, Montana, Nevada, New Mexico, New York, North Dakota, Rhode Island, Tennessee, and Vermont have enacted versions of the model. An additional six states, including Illinois, Louisiana, Massachusetts, North Carolina, Oklahoma, and Pennsylvania are considering the model.

NCOIL is an organization of state legislators whose main 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 contact the NCOIL National Office at 518-687-0178 or snolan@ncoil.org.

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