

**VIA E-MAIL**

April 15, 2013

The Honorable Max Baucus  
Chair, U.S. Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 200510

Dear Chairman Baucus:

As leaders of the National Conference of Insurance Legislators (NCOIL), we would like to commend you on your exploration of tax fraud in the 113<sup>th</sup> Congressional Session, evidenced by your upcoming hearing, "Tax Fraud and Tax ID Theft: Moving Forward with Solutions." We also would like to reaffirm for the record the very important state-mandated use of the Social Security Administration's Death Master File (DMF) as a consumer protection under the NCOIL *Model Unclaimed Life Insurance Benefits Act*. Since its adoption, the model has been enacted in six states, is now pending in five, and is being considered in numerous others.

As NCOIL related to Congress last year (letter attached), the NCOIL model relies on the DMF to help ensure that life insurance beneficiaries receive their promised benefits. The model act was developed in 2011 in response to growing concern that life insurance companies would not always use the DMF to find deceased life insurance policyholders for which life insurance death benefits were owed—but would commonly use tools like the DMF to identify deceased owners of annuity contracts to cease payments.

The NCOIL *Model Unclaimed Life Insurance Benefits Act* (1) compels routine identification of deceased policyholders by use of the DMF or no less comprehensive database, (2) establishes steps for beneficiary notification, (3) promotes timely payment of claims to beneficiaries, and (4) in the event that benefits go unclaimed, provides clear procedures for life insurers to escheat the funds, per unclaimed property laws.

Since adoption, this model in some form has been passed in Kentucky, Maryland, Montana, New Mexico, New York, and Alabama. Five states, including Massachusetts, Nevada, North Dakota, Rhode Island, and Vermont have legislation pending in 2013 legislative sessions, while yet others are considering the model.

We again appreciate the opportunity to bring our *Model Unclaimed Life Insurance Benefits Act* to your attention as Congress reviews DMF-related issues. NCOIL takes seriously concerns regarding release of personal information through the DMF and the need to protect against fraudulent activity. Also vitally important is making sure that companies follow through on their promises of payment—particularly to individuals who may have recently lost a loved one. We hope any federal legislation will acknowledge this.

NCOIL is an organization of state lawmakers whose main area of public policy concern is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country.

For more information, please feel free to contact the NCOIL National Office at 518-687-0178.

Sincerely,



Rep. Charles Curtiss, TN  
NCOIL President



Rep. George Keiser, ND  
NCOIL President (2010-2011)



Rep. Robert Damron, KY  
NCOIL President (2009-2010)

Enclosures

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