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## Unclaimed Property & Lost Policy Locator Service Developments

### Traditional Claims Process

- Life insurers have a long history of fulfilling their obligations to policy owners and their families. In the past 10 years, life insurers nationwide have paid more than \$660 billion to beneficiaries of life insurance policies.
- Companies act promptly to pay benefits, usually within 30 days of receiving a claim. In fact, 99 percent of life insurance policies are paid to beneficiaries through the traditional claims process.
- In a small percentage of cases, life insurance policies go unclaimed because family members may not have known that a policy existed. If no claim is made, the policy benefits are transferred to the state in accordance with state laws.
- Life insurers want beneficiaries to receive their benefits before the state can claim the money. In recent years, many companies have been doing more than is required by law. They are making better use of technology to identify policy owners who have died, locate beneficiaries, and help them begin the process to claim their benefits.

### Recent Developments

- The American Council of Life Insurers (ACLI) wants all life insurers to try to identify deceased policy owners and seek out beneficiaries.
- ACLI has advocated since 2012 for states to adopt modern legislation to provide a foundation for insurers to use the Social Security Death Master File to obtain notice of death of an insured in the absence of a claim and search for beneficiaries within 90 days.
- To date, 29 states representing more than 50 percent of national life insurance premiums and annuity considerations have enacted laws requiring the comparison of company records with the Death Master File. Several others are considering similar laws.
- Forty of the largest insurance groups representing more than 92 percent of the market for life and annuity products nationwide were examined by state authorities. Regulatory settlement agreements were reached with 31 life insurance companies representing more than 80 percent of national life insurance premiums.
- Nationally, settlement agreements resulted in \$9.7 billion paid to beneficiaries directly by the companies, with another \$180 million to the states for settlement administration and another \$33 million escheated to state unclaimed property authorities as custodians who continue efforts to locate and pay the beneficiaries.
- ACLI supported the establishment of a national life insurance policy locator service. Beginning operations in November 2016, the locator service has matched 24,934 consumers with policies, leading to the payment of benefits of more than \$368 million.

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