

**Mary Jo Hudson
Columbus, Ohio 43215**

April 20, 2016

Richard Bonin, Producer
CBS News, *60 Minutes*
New York, New York

Dear Mr. Bonin:

I write to provide comments to *60 Minutes* regarding your April 17, 2016 story "Not Paid". I am a former Ohio insurance commissioner and currently serve as a consultant for the American Council of Life Insurers (ACLI) regarding insurance regulatory issues. I am quite familiar with the issues discussed in this story.

Contrary to the impression left with viewers of your broadcast last Sunday, life insurance companies are not holding on to unclaimed benefits indefinitely.

State insurance departments strictly regulate the funds that life insurance companies hold to pay their claims, as well as the claims payment process. The states also have well-established laws delineating when unclaimed life insurance benefits default to state unclaimed property administrators. Once the benefits are transferred, it becomes the state's responsibility to locate and pay the rightful owners.

Life insurers adhere to the letter and spirit of these long-standing laws and regulations.

The insurance claims process is an integral part of any insurance transaction, and companies take their obligations to policyholders and beneficiaries seriously. Historically, life insurance companies have paid 99 percent of all claims submitted through the ordinary claims process. And while unclaimed life insurance benefits represent a small percentage of all policies in force, life insurers recognize that these percentages represent real people. That is why the industry is making use of new technologies to identify policyholders who have died, locate beneficiaries and help them receive the benefits they are due.

Life insurers also follow state laws that authorize the cash value of policies to be used for premium payments, if requested by consumers. This strategy helps many consumers maintain their life insurance coverage for long periods of time if they are unable to pay premiums for any reason. State laws also require life insurers to make numerous efforts to contract their customers before a policy lapses. If a valid claim is made for a death that occurred before the lapse, the claim is paid in full.

Unfortunately, these well-established consumer protection laws were unfairly maligned in your story.

Best regards,

Mary Jo Hudson