
ACLI Support for the NCOIL Unclaimed Life Insurance Benefits Act

ACLI Position

- ACLI supports the NCOIL Model which provides a foundation for insurers to use the Social Security Death Master File (DMF) to ultimately identify beneficiaries of life insurance policies and pay claims within 90 days.
- While ACLI policy is supportive of the NCOIL Model having a retroactive policy for all in- force policies, we also recognize insurance regulators should have discretion in applying the requirement to small insurers. Furthermore, deference is provided to individual states in applying legislation retroactively or prospectively due to constitutional issues that may be problematic to apply a law retroactively.
- ACLI supports this initiative even when more than 98 percent of life insurance policies are paid to beneficiaries through the traditional claims paying process.
- Importantly, the Uniform Unclaimed Property Act revised in 2016 by the Uniform Law Commission expressly recognizes the NCOIL Model at the national standard for life insurance company use of the DMF.

Quick Facts

- NCOIL used the settlement agreements between regulators and large insurers from 2011 as its foundation for its model and amended the model three additional times to more accurately reflect the compliance needs of insurers while still retaining necessary consumer protections.
- The NCOIL Model is intended to be in the insurance code and not the unclaimed property code to avoid dual regulation of the life insurance industry.
- Many states (33) have adopted language that provides the foundation for insurers to utilize the Death Master File.

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