

# NCOIL Revises Unclaimed Property Model Act

March 25, 2015

The National Conference of Insurance Legislators (NCOIL) recently adopted an enhanced Model Unclaimed Life Insurance Benefits Act to address particular concerns regarding the Social Security Death Master File (the DMF). The first iteration of that Model Act was passed by NCOIL in 2011 and subsequently adopted by 15 states. The updated model requires life insurers to search, "on at least a semi-annual basis, by using the full Death Master File once and thereafter using the Death Master File update files for future comparisons." **The previous model, by contrast, required life insurers to search the full DMF twice a year.** The revised model also includes new definitions. "Knowledge of death," for example, has been defined by the Act to mean either receipt of an original or valid copy of a certified death certificate, or a DMF match validated by the insurer. The amendments also clarify the model's substantive provisions. The model provides that contractual interest is payable to beneficiaries or owners, or to the state in the event of escheat, but that interest payable only under the state's statutory interest law will not escheat to the state as unclaimed property. Violations of the Act constitute a violation of the state's Unfair Trade Practices Act (UTPA), though the drafters noted that "care should be taken ... to ensure consistency across [the] two statutes" when the state's UTPA requires that the act be a pattern or practice prior to finding a violation. Finally, the revised model provides that the act will take effect no less than one year after the date signed into law. Rep. George Keiser (ND), Unclaimed Property Task Force Co-Chair, stated that the "updated model evidences successful compromise between differing, often opposing, perspectives, including those of life insurers, regulators, unclaimed property officials and consumer representatives."

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