

TASK FORCE ON UNCLAIMED LIFE INSURANCE POLICIES

Meeting of Wednesday, August 17, 2016

Normal City Council Chambers

11 Uptown Circle, 4th Floor, Normal, Illinois 61761

MEETING MINUTES

The August 17, 2016 meeting of the Task Force on Unclaimed Life Insurance Policies was called to order at 10:00 a.m.

TASK FORCE MEMBERS PRESENT

Michael Frerichs, Chair – *Illinois State Treasurer*

Representative Dan Brady – *State Representative*

Representative Robert Martwick – *State Representative*

Senator Sam McCann – *State Senator*

Lori Hendren (AARP) – *Senior Citizen Advocate Representative*

Jerry James (NAACP) – *Public Representative*

TASK FORCE MEMBERS ABSENT

Kemper Corporation – *Insurance Industry Representative*

Senator Jacqueline Collins – *State Senator*

William McNary (Citizen Action Illinois) – *Consumer Advocate Representative*

TREASURER'S STAFF

Allen Mayer, *Deputy General Counsel*

Lee LoBue, *Advocacy Director*

CHAIRMAN'S REMARKS – TREASURER MICHAEL FRERICHS

Treasurer Frerichs introduced members of the Task Force in attendance. Treasurer Frerichs provided an opening statement regarding the background, creation and purpose of the Task Force on Unclaimed Life Insurance Policies. Treasurer Frerichs submitted Executive Order 16-01 creating the Task Force and made it available for review.

Allen Mayer, Deputy General Counsel for the Office of the Treasurer, discussed and displayed a PowerPoint presentation providing an overview and update on House Bill 4633. This presentation was made available for the record.

SCHEDULED GUESTS/WITNESSES

Charlene Clark of Springfield, IL appeared as a life insurance beneficiary and provided testimony on her mother's three unclaimed life insurance policies and her experience in claiming the life insurance policies. Mrs. Clark stated she was unaware of her mother's unclaimed policies and they were discovered through the Treasurer's website search tool. Mrs. Clark took questions from Treasurer Frerichs, Representative Brady and Representative Martwick regarding the details of the policies, her experience in discovering the policies, and the process of claiming the policies.

Pastor Marvin Hightower of Peoria, IL appeared as a life insurance beneficiary and provided testimony on his aunt's unclaimed life insurance policy, of which his mother was the intended beneficiary, and his experience in starting the claim process of the life insurance policy. Mr. Hightower stated he was prompted by others to check the Treasurer's website where he discovered the policy. Mr. Hightower said he was never contacted by the insurance company holding the policy. Mr. Hightower took questions from Treasurer Frerichs, Representative Brady and Representative Martwick regarding the details of the policy and the policy holder, his knowledge of his aunt's policy, the status of his claim, and his experience in discovering the policy.

Rick Cory, Deputy Director of Compliance, Unclaimed Property Division at Office of the Treasurer, appeared as a representative from the unclaimed property field. Mr. Cory took questions from Treasurer Frerichs regarding the role and process of unclaimed property in regards to unclaimed life insurance policies and the use of external audits of life insurance companies. Mr. Cory took questions from Representative Brady about the technology used in unclaimed property, ways to streamline public outreach and education to families who may be beneficiaries, including search of death certificates and coordination with funeral homes. Mr. Cory took questions from Representative Martwick about the reporting process and data kept on length of lapsed policies and other available data. Mr. Cory took questions from Jerry James from NAACP about mechanisms in place for notification of family at time of death of policy holders, general timeframe of contact, and issues with lapsed and term life policies that may need further addressed.

Anthony Visnesky, Jr. of Springfield, IL appeared as a life insurance beneficiary and provided testimony on his father's unclaimed life insurance policy and his experience in starting the claim process of the life insurance policy. Mr. Visnesky stated he received a letter from the insurance company notifying him of the policy 7 years after father's death (the due diligence contact was prompted by the audit done by Treasurer's office auditors). Mr. Visnesky took questions from Treasurer Frerichs and Representative Martwick regarding the details of the policy and the policy holder, his knowledge of his father's policy, and his experience in claiming the policy.

TASK FORCE MEMBER DISCUSSION

Treasurer Frerichs submitted seven documents to be entered into the record: 1) Unclaimed Life Insurance and Annuities Model Act (7/29/16 draft) by the National Association of Insurance Commissioners, 2) Revised Uniform Unclaimed Property Act (July 2016 draft) by the National Conference of Commissioners on Uniform State Laws, 3) Model Unclaimed Life Insurance Benefits Act by the National Conference of Insurance Legislators, 4) script from 60 Minutes segment titled "Not Paid" which originally aired on April 17, 2016, 5) Ottawa Daily Times Editorial titled "Get Loved Ones Benefits They Deserve" from July 5, 2016, 6) Daily Chronicle Editorial titled "Make Insurers Pay Out Death Benefits" from November 4, 2015, and 7) Alton Telegraph Editorial titled "Frerichs Frustrated in Push for Progress" from June 23, 2016.

All task force members took part in the open member discussion on unclaimed life insurance policies.

PUBLIC COMMENT

Nancy Miller of Bloomington, IL filed a public testimony slip and addressed the members of the task force. Mrs. Miller provided her opinion on the unclaimed life insurance topic. She stated she searches the Treasurer's website regularly and has been spreading the word about unclaimed property for 20 years. Mrs. Miller asked if small claims could be donated, rather than be paid, if the owner of the

property requested. Treasurer Frerichs stated there is not a current mechanism to do so but it will be looked into and will work to remove obstacles for smaller accounts.

UPCOMING MEETING DATES

Treasurer Frerichs announced the upcoming dates and locations for scheduled hearings in Chicago and Decatur.

RECESS

Treasurer Frerichs recessed the Task Force on Unclaimed Life Insurance Policies to the call of the chair.