

How to find lost life-insurance policies

The average unclaimed life benefit is \$2,000

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At least \$1 billion in benefits from misplaced or forgotten life-insurance policies are waiting to be claimed by their owners. The odds that you're one of them are 1 in 600, more favorable than your chance of winning \$100 on a Powerball ticket. And although you can't expect a million-dollar jackpot—the average unclaimed life benefit is \$2,000—some payouts have been as high as \$300,000.

The big stash results from a quiet death-benefit dodge. Auditors in California, Florida, New York, and other states found that life insurers were using Social Security's Death Master File to identify annuity owners who had died so that they could stop making payments to them. But they weren't checking it to find deceased policyholders and pay their beneficiaries.

Worse, when premium payments stopped after policyholders died, insurers often used the policies' cash value to continue the payments until the cash was depleted, California's state controller found.

Six major insurers—AIG, Forethought, John Hancock, MetLife, Nationwide, and Prudential—have agreed to search for dead policyholders and beneficiaries more diligently. And other carriers are being investigated.



Searching for a lost policy

Start simple. If an immediate family member or other close relative died more than a few years ago, benefits may have already been turned over to the unclaimed property office of the state where the policy was purchased. Go to missingmoney.com, a website of the National Association of Unclaimed Property Administrators, to search records from 38 states and the Canadian provinces, Puerto Rico, and the District of Columbia. The pull-down menu under Links connects you to a map and addresses for unclaimed-property agencies.

If your name or a potential benefactor's name produces a hit, you'll need to prove your claim. Required documentation, which can vary by state, is detailed in claim forms, and a death certificate might be necessary. If you don't already have that key document, contact the vital records office in the state where your relative died, or go to vitalchek.com, the official document service provider for more than 400 government agencies.

Contact the insurer. If you know or suspect that a particular insurer underwrote the policy, contact that carrier's claim office by phone or online. Not everyone is legally entitled to answers; the deceased's executor and immediate family—spouse, domestic partner, children, grandchildren, siblings, grandparents—have the most legal standing. "But the insurer will know, and if they determine you're a beneficiary, they'll send you a packet to verify your identity so you can collect," says Steven Weisbart, chief economist at the Insurance Information Institute, an industry organization. "If you're not a beneficiary, they're not going to tell you anything."

The more information you have—the approximate date of birth and death, Social Security number, last state of residence, policy number—the better. A Consumer Reports staffer used MetLife's online checking tool (see box at left) to uncover two policies left by her parents. She collected a total of \$4,800—more than three times the policies' face value thanks to compounded interest earnings.

Search personal records. If the person died recently and you have the authority, search his or her files for a policy, records of premium payments, or bills from an insurer. Contact the deceased's employers, labor union, or even fraternal order to check for policies. Find and open safe-deposit boxes. Monitor the mail, e-mail, and online banking and bill-payment services for premium invoices or whole-life dividend notices.

Beware of scammers. As part of the settlement with the states, insurers are stepping up their efforts to find people, but so are the bad guys. The Florida Department of Financial Services warns that a bogus "Florida Department of Financial Restitution" has been offering to reunite consumers with unclaimed property and separate them from \$600 in up-front fees. The real agency doesn't charge anything, though private companies do legally mine unclaimed-assets files for a percentage, payable if property is found.

If you receive a solicitation purporting to be from an insurer, don't respond to the phone number or website listed in the correspondence. Instead, look up the phone number or Web address for the company's claims department and contact the company that way, advises Anna Alexopoulos, a spokeswoman for the Florida Department of Financial Services.

If you've successfully found lost assets, tell us how you did it by writing to MoneyEditor@CR.Consumer.org.

How to contact insurers

Here's how to reach the six companies that settled with the multistate task force on unclaimed life benefits:

AIG: 800-888-2452

Forethought: 800-331-8853

John Hancock

MetLife

Nationwide: 800-848-6331

Prudential: 800-778-2255