14 May 2015

Adam Cole, Chair, NAIC Unclaimed Benefits Model Drafting (A) Subgroup
c/o Jolie H. Matthews, Senior Health and Life Policy Counsel
National Association of Insurance Commissioners (NAIC)
Via: jmatthews@naic.org

RE: The Basis for NAIC Modeling of Unclaimed Life Insurance Benefits

Dear Chairman Cole & Members of the Subgroup:

Tomorrow the Subgroup will teleconference to discuss its charge, project timeline and other matters. Today, for the first time, interested parties are provided an alternative to the NCOIL Unclaimed Life Insurance Benefits Model Act, proposed as a basis for NAIC modeling by six insurance officials. The ACLI looks forward to analyzing the counter-proposal from the five commissioners and one director in a deliberate manner in due course. However, the ACLI urges the Subgroup to rely upon the NCOIL Model as the basis for NAIC modeling. This is because:

1. The NAIC is the self-proclaimed standards-setting organization encouraging uniform regulation of the business of insurance by the 50 states.
2. The NCOIL Model is clearly the standard for modernizing insurance company management of unclaimed life insurance benefits because:
   a. It is extrapolated from the multi-state settlement agreements;
   b. It was developed carefully through three editions and three years of intense negotiations with all interested parties participating and the NAIC observing;
   c. It goes beyond the publicized, historic NAIC concerns relating to asymmetric company practices to expand Death Master File use to all insurance companies;
   d. It is accepted as the standard by the ACLI;
   e. It is accepted as the standard by the National Association of Unclaimed Property Administrators;
   f. It is accepted as the standard by Uniform Law Commission;
   g. It correctly modernizes insurance laws in a manner enabling a coherent and coordinated modernization of unclaimed property laws;
   h. It is the modern law of 19 states (most recently, Indiana);
   i. Any substantial deviation by the NAIC from the NCOIL Model will fail to meet NAIC modeling protocol with regard to necessary commitments from insurance commissioners for support; and
   j. Any substantial deviation by the NAIC from the NCOIL Model will undermine insurance standards and national uniformity to the detriment of NAIC as the insurance standard-setting organization.

Sincerely,

Michael Lovendusky
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