

On behalf of the State of Utah, I would like to submit the following comments on the draft Unclaimed Life Insurance and Annuities Model Act from an insurer domiciled in our state.

1. The law requires fuzzy matching, but is silent in regard to what happens when an insurance company can't (through good faith efforts) verify a death match found through the fuzzy logic. We are concerned that the fuzzy match will produce a false positive and we would submit a policy to the state unclaimed property and then have a real claim on the policy when the insured actually dies.
2. The applicability section is a concern - as worded, it appears we would have to follow the strictest law in each: the state of domicile, the state of issuance, and the state of last known residence. If states vary the regulation (which has happened a lot with the current unclaimed property laws), finding and following the strictest of those three will be very difficult. This is especially the case with the state of last known residence - this would require insurance companies track regulations in states where they do not do business and are not licensed (for example NY). Also, section 5B allows for a commissioner exemption, but would the insurer have to go to each state's commissioner? We think the applicability would be much better defined as by state of domicile.
3. There is a Drafting Note which describes potential reporting requirements. Tracking these specific claims may be difficult. For example, our initial action is to send a letter to the owner/beneficiary with our claims department phone number. If the owner or beneficiary call in to report the death the claims department may not know that the death was found through the matching program.
4. The regulation requires companies to obtain additional information on beneficiaries - specifically SSN and phone number. In the past we have had significant challenges collecting SSN's from owners/insureds due to privacy concerns. We think collecting that information for beneficiaries will be difficult. Further, we are not sure that having SSN will significantly improve our ability to find the beneficiary.

Tomasz Serbinowski, Actuary

Utah Insurance Department

State Office Building, Room 3110 | 350 North State Street | Salt Lake City, UT 84114

P: [801-537-9289](tel:801-537-9289) | tserbinowski@utah.gov