

TASK FORCE ON UNCLAIMED LIFE INSURANCE POLICIES

**Meeting of Wednesday, August 24, 2016
Bilandic Building (C600)
160 N. LaSalle Street, Chicago, Illinois 60601**

MEETING MINUTES

The August 24, 2016 meeting of the Task Force on Unclaimed Life Insurance Policies was called to order at 11:00 a.m.

TASK FORCE MEMBERS PRESENT

Michael Frerichs, Chair – *Illinois State Treasurer*
Representative Robert Martwick – *State Representative*
Senator John Mulroe – *State Senator*
William McNary (Citizen Action Illinois) – *Consumer Advocate Representative*
Laurinda Dodgen (AARP) – *Senior Citizen Advocate Representative*
Phyllis Logan (NAACP) – *Public Representative*

TASK FORCE MEMBERS ABSENT

Kemper Corporation – *Insurance Industry Representative*
Representative Dan Brady – *State Representative*
Senator Jacqueline Collins – *State Senator*

TREASURER'S STAFF

Allen Mayer, *Deputy General Counsel*
Lee LoBue, *Advocacy Director*

CHAIRMAN'S REMARKS – TREASURER MICHAEL FRERICHS

Treasurer Frerichs provided an opening statement regarding the background, creation and purpose of the Task Force on Unclaimed Life Insurance Policies. Treasurer Frerichs introduced members of the Task Force in attendance. Representative Martwick, Senator Mulroe, William McNary, Phyllis Logan, and Laurinda Dodgen each made opening remarks.

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.

SCHEDULED GUESTS/WITNESSES

Lynn Lucchese-Soto of Chicago, IL appeared as a life insurance beneficiary and provided testimony on the story of the unclaimed life insurance policy belonging to the biological mother of her two adopted sons and her experience in claiming the life insurance policy. Mrs. Soto stated she was unaware of her son's being the beneficiary of their mother's policy and there was no contact from the insurance companies. She was notified by the Treasurer's staff who became aware of it through audits. She said she would have never known otherwise. Mrs. Soto took questions from Treasurer Frerichs, Sen. Mulroe, Mr. McNary, Rep. Martwick, and Mrs. Logan regarding the details of the policy and her experience in discovering and of claiming the policy. Rep. Martwick pointed out that

only the face value of this large policy went to her boys and the insurance company kept all interest they received over the years it went unpaid.

Deborah Molina of Chicago, IL appeared as a life insurance beneficiary and provided testimony on her mother's unclaimed life insurance policy and her experience in claiming the life insurance policy. Mrs. Molina said she received a letter from the Treasurer's office notifying her on the unclaimed policy and otherwise would not have found out. She stated her mother had taken out multiple policies many years ago because her father was uninsurable due to World War II injuries. Mrs. Molina took questions from Treasurer Frerichs, Sen. Mulroe, Mr. McNary, and Rep. Martwick regarding the details of the policy and the policy holder and the notification and interest practices of life insurance companies.

Pastor Mark Henton of Chicago, IL appeared as a life insurance beneficiary and provided testimony on unclaimed life insurance policies left to his church by parishioners and his experience in claiming and receiving the life insurance benefits. Mr. Henton stated that an administrator at his church found the policies by searching the Treasurer's website. He stated he was able to take on projects at his church, like repairing the parking lot and sinkholes, which otherwise he couldn't have done. Mr. Henton took questions from Treasurer Frerichs, Rep. Martwick and Mr. McNary regarding the details of the policies left to his church and intent of the policy holders.

Donsanell Nash of Chicago, IL appeared as a life insurance beneficiary and provided testimony on unclaimed life insurance policies belonging to her grandmother and her experience in trying claim from the life insurance company. Mrs. Nash stated she found the policies by searching the Treasurer's website. She said she had previously called insurance companies but was not able to get information due to not having policy number. Mrs. Nash took questions from Treasurer Frerichs, Rep. Martwick and Mr. McNary regarding the details of the policy and the discussed the issue of lapsed policies still needing to be address, even if legislation is signed.

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 process of unclaimed property with unclaimed life insurance policies, due diligence by life insurance companies on audited and unaudited policies, staff capabilities and resources to perform audits on life insurance companies, and amount of claims processed due to the audits. Mr. Cory took questions from Rep. Martwick about the audit process and cost of doing so because it's not being voluntarily done by insurance companies. Additional questions were asked by Mrs. Logan and Mrs. Dodgen about claim process, notifications, and lapsed policies being loop holes.

TASK FORCE MEMBER DISCUSSION

Discussion was opened for additional comment on unclaimed life insurance policies by Task Force members. Rep. Martwick reiterated that this task force was established to educate the public on the issue and help tighten up policy. Treasurer Frerichs stated that a statement was received from the Department of Insurance and provided to all members.

PUBLIC COMMENT

No public comment was provided.

UPCOMING MEETING DATES

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

RECESS

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