



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

June 23, 2016

Mail and Email (krobinson@uniformlaws.org)

Richard T. Cassidy, Esq.
President, Uniform Law Commission
c/o Katie Robinson
111 N. Wabash Avenue, Suite 1010
Chicago, IL 60602

Re: Issues Related to Unclaimed Life Insurance Benefits

Dear President Cassidy:

I write regarding the work of the Uniform Law Commission on the Revised Uniform Unclaimed Property Act (RUUPA) provisions that relate to life insurance and annuities and the determination that their proceeds become unclaimed property. As noted in the Comments to the current draft of RUUPA §211, this is also the subject of separate model law drafting efforts by the National Conference of Insurance Legislators (NCOIL) and the National Association of Insurance Commissioners (NAIC).

As a Past President of the NAIC and a member of its Unclaimed Benefits Model Law Drafting Subgroup, I have followed this issue closely for several years. I write due to concerns I have that the current draft of RUUPA §211(b)(5) will undermine the primacy of state insurance commissioners in their exercise of regulatory jurisdiction over life insurers and subject life insurers to the prospect of dual examination authorities using different criteria to determine death master file matches.

The draft of RUUPA §211(b)(5) leaves undetermined the standard by which an unclaimed property administrator could "conduct a comparison between a death master file and the names of an insurance company's insureds or annuitants during an examination conducted" according to the authority granted in other provisions of the UUPA. To clarify §211(b)(5), there should be language added that limits any comparison conducted by an unclaimed property administrator to the death master file match criteria stated in §211(b)(1), which incorporates by reference the criteria of the insurance laws and regulations of an adopting state or in their absence those of a relevant insurance model law.

As you know, the purpose of the Uniform Law Commission is "to promote uniformity in the law among the several States on subjects as to which uniformity is desirable and practicable." It is uniformly the law among the several States that insurance commissioners are the primary regulatory authorities of life insurers. To create ambiguity in the criteria to be applied by insurers and regulators is both

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undesirable and impracticable. Ambiguity would defeat uniformity of insurance regulatory authority and subject life insurers to two regulatory authorities applying different criteria for determining a death master file match.

I urge you to revise the current draft of §211(b)(5) to clarify that life insurers will only be subject to one set of regulatory criteria for an examination whether by the state insurance commissioner or unclaimed property administrator.

With best wishes and kindest personal regards, I remain

Very truly yours,



James J. Donelon
Commissioner of Insurance

JJD/TDT:kk