

LOOKING IN THE 'LOST AND FOUND':

How to Locate a Life Insurance Benefit When You Don't Have the Policy

Insurance policies are often purchased during life changing moments: the birth of a child, marriage, the purchase of real estate or the addition of other assets worth protecting. But if policy documents are “lost,” you may find yourself trying to solve the mystery of a missing policy. That task can be difficult—especially if you are assisting an elderly relative or helping settle the estate of someone who has passed. Over time, if an agent or company holding the policy has changed, a search for answers may seem overwhelming. The Virginia State Corporation Commission’s Bureau of Insurance offers the following tips to help find a “lost” life insurance policy. These tips are based on the National Association of Insurance Commissioners (NAIC) Consumer Alert of the same title available at www.naic.org.

About Life Insurance

When you start the search for a life insurance policy it's helpful to know the type of policy. Life insurance is generally issued as either a term policy or permanent life insurance policy. A term policy covers the insured for a stated period of years and pays a benefit only if the insured dies within that term. A permanent life insurance policy—of which there are many types, such as universal life, variable universal life and whole life—stays in force as long as the premium is paid. Even if a permanent life policy lapses (the insured stops making payment), it's still possible there could be some residual benefit, though it will likely not be the full value of the policy.

What You'll Need

To begin the process, you'll need some personal details of the insured individual. If you have an old copy of the policy, that will be most helpful. You'll need the full name (including maiden name for a married individual), Social Security number and an idea in which state the policy would have been purchased. To claim the benefit you'll also need to furnish due proof of the death of the insured (usually a death certificate).

To start, try to determine:

- Which insurance company might have issued the policy
- Which agent or broker might have sold the policy
- If the policy owner might have purchased the policy through an employer, union or association

A search online will help you find contact information for the company, agent/broker or employer. Talk with their customer service representatives or human resources department to see if they can provide the policy number and claims information.

Where to Look

If you can't determine any of the above information, then try one of these strategies for more information:

- Look in files, safety deposit boxes and other storage areas for any insurance-related documents.
- Look through address books or online contact lists for any insurance listings (agent, company).
- Contact attorneys, accountants, investment advisors, bankers, business associates or any other financial advisors.
- Ask family and friends.
- If you can find applications for any life insurance policy, it will likely list ALL life insurance policies belonging to the policy owner.
- Review income tax returns for the previous few years to see if there are claims for interest earned on insurance policies.

- Talk with the policy owner's auto or homeowners insurance agent. It's possible he or she also sold the life insurance policy.
- Check local city/county records for all licensed insurance agencies and ask the agencies to help.
- The NAIC's website (www.naic.org) has a link to each state insurance department's website. You should be able to obtain the contact information of all life insurance companies in the state where you think the policy was issued via that state insurance department's website. Send letters of inquiry to each life insurance company.
- Check for cancelled checks or bank statements for automatic payments to insurance companies. A number of policies contained an "automatic premium loan" provision. This provision allowed for the policy value to be used to pay the premium if the premium was not paid, leaving no value at some point. If the insured died prior to the cash value being depleted, there would be some benefit.

Industrial Insurance

This type of life insurance was sold using a premium receipt book containing records of premium payments made on a weekly or monthly basis. These policies were usually for small amounts as low as \$100. The receipt book would have displayed the insurance company's name. Many of these companies merged or were sold. If you cannot locate the insurance company, you may contact the Bureau of Insurance in Virginia or other state Departments of Insurance to obtain information regarding sales and mergers affecting the insurance company, or because the number of these companies is few, you may want to request the names of each company that sold industrial insurance, and contact each company to determine whether a policy was in force for an individual.

State Resources

In general, life insurance companies that know an insured has passed, but cannot locate the beneficiaries of the policy, are required to turn over the benefits of the policy to the state's unclaimed property office. If you know which state the policy was written in, you may check with the state office that handles unclaimed property. In Virginia, it is the Department of the Treasury, Unclaimed Property Division. The Unclaimed Property Division may be contacted by telephone Toll Free at: 1-800-468-1088 or via its web site at: www.trs.virginia.gov/ucp

How to Avoid Lost Policies

Take these steps to make sure your beneficiaries won't have difficulty finding your life insurance policy:

- Update your beneficiary information. Make sure your company and agent have current contact details for all listed beneficiaries.
- Alert your beneficiaries of the policy. Provide them with the name of your agent and the name of the company that wrote the policy.
- Make sure a current copy of your policy is with your will or estate paperwork in a safe place where your family or beneficiaries will know to look for it and will have access.
- Consider asking your insurance company for an annual policy statement if one isn't provided.

The Virginia Department of Health offers an online Advance Health Care Directive Registry at: <https://www.virginiaregistry.org>. This is a secure registry Virginia residents can use to store important legal documents such as the face page of your life insurance policy, and other documents related to your medical wishes such as your Advanced Health Care Directive, Health Care Power of Attorney, Declaration of Anatomical Gift, or other documents that provide instruction concerning your medical wishes in the event you become incapacitated.

If you have any questions about any of this information, please contact the Bureau of Insurance at 1-877-310-6560, or view our web site at: www.scc.virginia.gov/boi.