

Insurance records outlive companies

By PAMELA YIP, Dallas Morning News



Dallas — Imagine: Dad dies, leaving you with an old life insurance policy issued by a company you don't recognize.

What do you do? While it may seem like searching for a needle in a haystack, there are several places you can start.

Your goal is to find out whether this company is operating in some form, whether it was bought out, merged or went completely kaput. Ultimately, you want to know whether the policy you're holding is still in force.

"Insurance companies just don't disappear," said Rhonda D. Orin, a policyholders' attorney and managing partner of Anderson Kill & Olick in Washington. "You can't end a company without recording it. There's a record somewhere. It's just a matter of finding the record."

It isn't so rare these days as more insurance companies consolidate and convert from a mutual life insurance company without stockholders to a publicly owned company.

"That would indicate the need for consumers to pay a little bit more attention to their record-keeping," said Brian Ashe, past chairman of the Life and Health Insurance Foundation for Education, a nonprofit organization that educates the public about life, health, disability and long-term-care insurance.

Acquirer responsible

Generally, when an insurance company acquires another insurance company, it will acquire the assets and liabilities of the target company, including its policies. The acquirer would be ultimately

responsible for paying claims on those policies.

To locate the company now responsible for paying a claim, you need to go first to the agency that handles insurance matters in your state. There you should be able to learn the status of an insurance company, how many times it was acquired, when it changed its name and its current structure.

You'll also be able to get contact information for the company.

"It's key that somebody knows at least some part of who the policy is from," said Ben Gonzalez, spokesman for the Texas Department of Insurance. "We can't help people if they just know that their relative had a policy, but they don't know what company."

Help available

There are businesses that will do such a search for you. MIB Solutions Inc. in Westwood, Mass., offers a policy locator service for \$75 a search.

The company, which has one of the largest life insurance databases in North America, offered free assistance to families of those who died in the 9/11 terrorist attacks and to victims of hurricanes Katrina and Rita in 2005.

"There is no central clearing-house of life insurance in force that the consumer can check against," said David Aronson, a MIB spokesman.

MIB's nearly 500 member companies write 95 percent of all premium dollars for life insurance policies purchased by individuals in the U.S. and Canada. It doesn't search for

group policies offered by employers.

The company will tell you the name and contact information of the insurance company or companies your loved one applied to for coverage.

MIB information doesn't indicate whether a policy was actually issued to your relative and, if so, whether it's still in force.

But MIB will have details about merged or purchased insurance companies so you can identify and contact the successor to the original insurance company.

After you've received contact information, call the insurance company and tell them you have a copy of a policy issued to your relative and that you want to know whether it is still in force. Generally, if your relative kept paying the premiums, the policy should be valid.

When you contact the insurance company, don't be offended if it's reluctant to share information with you.

"The big thing that people don't understand is the privacy issues," said Paul Torres, managing partner of New England Financial in Dallas, which is owned by MetLife. "They can't expect a fast answer to this. If they don't have enough information upfront and they don't have a legal right to the information, then they have to go through the correct channels."

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So while an insurance company may tell you over the phone that it has a record of your relative having purchased its insurance, information beyond that will have to come from the claims department, which will require you to prove you have the legal right to the information and the benefits.

"It's for everyone's protection," Torres said.

Go in person

His most valuable tip is to go to the insurance company's office with documents that will prove your identity and your right to receive information.

"Go into the office and ask to speak to someone with responsibility," Torres said. "That carries a tremendous amount of weight."

At MIB, before the company will conduct a policy search, the surviving spouse, next of kin or legal representative of a deceased person must submit an application with a certified

copy of the death certificate with an official seal.

Search applicants must also include copies of court orders and other legal documents that would apply.

"This is not just for everybody," said Aronson, the MIB spokesman.

The requirements are so that "we know the person who's applying for this information is the person who's supposed to be receiving it," he said.

Look for clues

If you don't have a copy of the insurance policy but know that your relative bought insurance, there are places you can look for clues: your loved one's address and telephone books, bank records or canceled checks, and previous income tax returns.

If the insurance was through a group policy at an employer, check with the benefits office at your relative's employers.

Whatever you do, don't give up.

"There is always a trail," said Etti Baranoff, associate professor of insurance and finance at Virginia Commonwealth University and a former Texas insurance regulator. "Don't get discouraged."

You can save your family the headache of searching by keeping them informed of where your insurance policies and other important documents are.

"Create a contact list of professionals," said Ashe, president of Brian Ashe and Associates, an insurance agency in Chicago that specializes in life, health and disability insurance. "This list should include doctors, lawyers, insurance companies and other financial advisers, which would come in handy for family members."

Also, keep important records organized in a safe place.

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PREVENT
Water Damage & Mold

Finally... a solution - simply place in leak-prone areas

Alarm SHRIEKS Upon Sensing Water

UP TO 3 DAYS