

Unclaimed property



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Each year, the Mutual Benefit Association (MBA) turns over thousands of dollars of unclaimed property to state treasury departments. This is an obligation that applies to all financial institutions. Unclaimed property is money belonging to a policyholder who never cashed a check from MBA. Additionally, unclaimed property can be an account that has had no activity for a defined period.

MBA makes several attempts to contact the owners of these funds before turning them over to a state’s treasury department. Most of our unclaimed property is a result of outstanding dividend checks. These are

often small amounts, but some can be several hundred dollars. A long-forgotten bank account could be much more.

In addition to uncashed dividend checks, MBA matches death records provided by one of our vendors against our active policy files. This provides us with notice of when one of our policyholders has died, but it does not always help us find the beneficiary who is entitled to be paid the proceeds of the policy. The proceeds of these policies are often several thousand dollars. This would best be paid directly to the beneficiary whom the policyholder has designated rather than being remitted to the state.

As director of MBA, I have a legal and fiduciary responsibility to pay our policyholders, or their beneficiaries, the funds that are due and to minimize the amount of these funds that we are required to remit to state treasury departments. This article highlights some of the actions that MBA takes to minimize its unclaimed property obligation and informs you of some of the things that you can do to minimize the risk that funds that are due to you will be turned over to the state. It is important to note that not only does MBA perform its unclaimed property due diligence, but all insurance companies, banks and other financial institutions may be making similar attempts to contact their policyholders/payees about unclaimed property prior to turning the funds over to their state of jurisdiction.

What does MBA do to find policyholders or beneficiaries who have unclaimed funds? We send several letters to the policyholder informing them of checks that have not cleared and how to receive a replacement check. We traditionally

have good luck with this method, but we do not always have a current address for the policyholder. In addition, when we have life insurance benefit payments, we use software to try to locate the beneficiary we have on file or relatives of the beneficiary. While these methods are often successful, they don’t always result in finding the payee.

Things you should do:

- Cash any check within 90 days of date it was issued.
- Maintain contact with your financial institutions and inform them of any address changes. Banks also have an unclaimed property obligation and will remit property to the state because of account inactivity. In addition, unpaid fees on safe-deposit boxes may lead to box contents being turned over to the state.
- Review statements and correspondence from MBA or other financial institutions that may require a response and respond accordingly.
- Maintain copies of important documents and make sure that family members know where they are kept.
- Periodically review your beneficiary designation. This is extremely important, as we are required to pay the beneficiary on file with MBA even if those individuals listed aren’t important in your life today. We have paid more than one benefit payment to a divorced spouse because the policyholder’s benefit designation was not up to date.

In addition to those items listed above, I also suggest that you check your state’s unclaimed property website. Most states’ websites are easy to navigate and normally have a location where you can search for unclaimed property that has been turned over to the state. You can periodically do an internet search of the states where you have lived to see whether there have been any funds remitted to the state that belong to you or a close family member.

Each state has procedures to claim unclaimed property that they have received. It is often easier to do those little things that will ensure that your hard-earned money isn’t misplaced than to take the steps necessary to recover this money from a state’s treasury department.

For information regarding any of the MBA products, please call the MBA office at 202-638-4318, Monday through Friday, 8 a.m. to 3:30 p.m. Eastern time. You also can visit our website at nalc.org/mba.

I’d like to take this opportunity to wish each of you and your families a happy holiday season and a happy new year.