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NEWS

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Department of Insurance Announces Multi-Million Dollar Settlement with TIAA-CREF

Illinois led multi-state effort to examine payment of Life Insurance Benefits

CHICAGO – June 24, 2013. Illinois Department of Insurance (DOI) Director Andrew Boron today announced an agreement with Teachers Insurance and Annuity Association of America and TIAA-CREF Life Insurance Company (collectively, TIAA) as part of a multi-million dollar settlement with several states. Under the settlement, TIAA agreed to change business practices related to the payment of life insurance benefits and also agreed to pay \$6,200,000 to states that are a party to the settlement.

Illinois, along with six other lead states, initiated discussions with the company regarding compliance of its practices and procedures for identifying and paying proceeds to beneficiaries of life insurance policies and annuities. After conducting a multi-state examination investigation, the Regulatory Settlement Agreement was reached.

“We were able to reach a settlement agreement quickly because of TIAA’s cooperation in this multi-state examination. I want to express appreciation for TIAA’s continuing efforts to reform its business practices of locating beneficiaries and to pay benefits owed,” said DOI Director Boron.

Under the agreement, TIAA will implement business reforms to promote a timely and efficient search for the beneficiaries of its in-force life insurance policies and annuities. The company will regularly match all of its insureds and annuitants against the Social Security Administration’s Death Master File to help promptly identify when an insured has died, to locate and make payment to beneficiaries.

DOI General Counsel Mary L. Smith also commends state regulators who collaborated to reform TIAA’s practices. “The efforts of fellow lead states have resulted in a sea change in the way that insurance companies locate policy beneficiaries and make prompt payment of life insurance proceeds to those rightfully owed.”

The agreement becomes effective after it is signed by the seven lead states plus 13 other states. In addition to Illinois, the lead states of California, Florida, New Hampshire, North Dakota, Pennsylvania, and Florida have signed the agreement.

A copy of the settlement agreement is available on the DOI website at <http://insurance.illinois.gov/Home/ImpLinks.asp>. Consumers who have any questions regarding this settlement, or who have any questions or concerns about their insurance, should contact the Department’s Consumer Division at <http://insurance.illinois.gov> or call 866-445-5364.

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