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NEWS

Illinois Department of Insurance

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Department of Insurance Announces \$4.7 Million Dollar Multi-State Settlement with Allianz

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

CHICAGO – January 8, 2015. Illinois Department of Insurance (DOI) Director Andrew Boron today announced an agreement with Allianz Life Insurance Company of North America and Allianz Life Insurance Company of New York (Allianz) regarding use of the Social Security Administration's Death Master File (DMF). The agreement is part of a multi-million dollar settlement with several states. Allianz will change business practices related to the payment of life insurance benefits and will pay a \$4.7 million dollar settlement to states that are party to the settlement.

The resolution with Allianz stems from multi-state market conduct examinations of the forty largest life insurers regarding the timely payment of proceeds to beneficiaries of life insurance policies and annuities. These examinations were led by Illinois, along with California, Florida, New Hampshire, North Dakota, and Pennsylvania. North Dakota was the principal lead state of this examination.

"The Department has partnered with other state regulators to reform the way insurers identify deceased policyholders and pay their beneficiaries. As a result of these exams, insurers have paid more than \$1 billion dollars to beneficiaries nationwide," said DOI Director Boron.

For years life insurers had used the DMF to identify deceased annuity holders, thereby allowing them to stop payments, but had not used the DMF to identify deceased life insurance policyholders in order to pay beneficiaries. Under the terms of the settlement, Allianz will use the DMF in a uniform and timely basis to search for deceased policyholders in order to facilitate prompt payments to beneficiaries.

The agreement becomes effective after 20 states have signed on to the agreement. Illinois has signed on, along with California, New Hampshire, Pennsylvania, Florida, and North Dakota.

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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