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NEWS

Illinois Department of Insurance

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Department of Insurance Announces Multi-State Settlement with Sun Life

Illinois will share part of a \$3.2 million penalty against Sun Life regarding payment of Life Insurance Benefits

CHICAGO - November 13, 2014. Illinois Department of Insurance (DOI) Director Andrew Boron today announced an agreement with the Sun Life Companies (Sun Life) regarding its use of the Social Security Administration's Death Master File (DMF) as part of a multi-million dollar settlement with several states. Under the settlement, Sun Life will change business practices related to the payment of life insurance benefits and will pay \$3.2 million to states that are party to the settlement.

The Regulatory Settlement Agreement 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. Florida served as the managing lead state of the Sun Life examination. With this settlement more than 60% of the total market has agreed to business reforms to properly and fairly use the DMF. Additionally, the companies have paid more than \$1 billion to beneficiaries.

"We're pleased that SunLife has agreed to fundamentally change its business practices to proactively seek, locate and pay beneficiaries," said DOI Director Andrew Boron. "This agreement reflects a joint commitment by state insurance regulators to protect consumers in the payments of benefits rightfully owed."

Under the agreement, Sun Life will compare all company records against the DMF Update File every month and against the complete DMF file at least annually to identify matches for potential unclaimed death benefits. These business practices will help the company to promptly identify when an insured has died and to make payments to the rightful beneficiary.

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

The agreement with SunLife includes the Sun Life Assurance Company of Canada, Delaware Life Insurance Company (formerly known as Sun Life Assurance Company of Canada (U.S.)), Independence Life and Annuity Company, Professional Insurance Company, Sun Life & Health Insurance Company (U.S.), and Delaware Life Insurance Company of New York (formerly known as Sun Life Insurance and Annuity Company of New York).

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