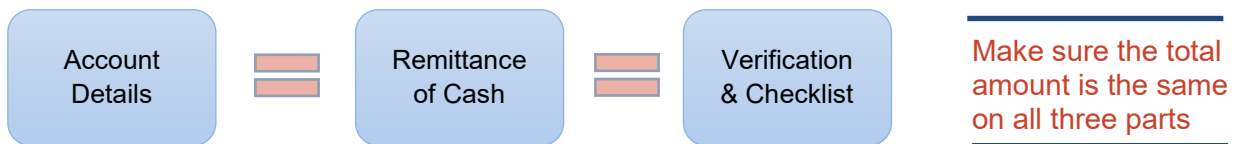


Unclaimed Property Relating to Insurance Companies – Reference Sheet

Schedule of Events for Article VII and Section 1316	
January 1	Cut-off date – if funds have become dormant in the year prior to this date, they should be included in this report cycle
May 1	Publication notice completed
May 10	Proof of publication is received in our office
June 10	First-class mailing completed
July 10	Certified mailing completed
September 10	Final report, including owner details, remittance, and Verification and Checklist is received in our office

How to Report (due 9/10) – Include the following when reporting:

1. Account details of the funds you are transferring in an approved format
2. Remittance of cash
3. Verification and Checklist (Electronic VCL or Form AC2709)



Visit our website at: <https://www.osc.ny.gov/unclaimed-funds/reporters> for more details including forms and contact information.

Applicable Property Types

New York	NAUPA II	Property Type Description	Dormancy Period
5D	IN01	Refunds due by insurance companies	3 years
6A	IN77	Limiting age (superannuated) contracts	None
6B	IN04	Matured endowments	3 years
6C	IN03	Death claims	3 years
6D	IN01	Amounts due under policies of insurance other than life	3 years
6E	IN07	Refunds and other amounts due under policy terms	3 years
6F	IN04	Annuities	3 years
6G	IN12	Retained Asset Accounts, Benefits Access Accounts or similar distribution accounts	3 years
8X	ZZZZ	Late filing interest	

Unclaimed Property Relating to Insurance Companies

This document is supplemental to the [Handbook for Reporters of Unclaimed Funds](#) and contains information which corresponds to Article VII and §1316 of New York's Abandoned Property Law (APL). For more information, refer to [Article VII](#) and [§1316](#) of the statute.

This document includes the following sections:

[Unclaimed Property](#)

[Statutory Considerations in Addition to Article VII and §1316](#)

[Important Issues](#)

[Publication](#)

[Mailing Requirements](#)

[Remittance](#)

[Publication Sample](#)

[Schedule of Events for Article VII and §1316](#)

Unclaimed Property

Unclaimed property subject to Article VII of the APL includes:

- Matured endowments.
- Life insurance proceeds when the insured reached the limiting age.
- Death benefits.
- Policy dividends, distributions, and refunds.
- Annuity payments.

Statutory coverage is provided in §1316 for all types of insurance proceeds other than life, including but not limited to amounts on:

- Health insurance.
- Property/Casualty insurance (Fire, Home, Liability, etc.).

Statutory Considerations in Addition to Article VII and Section 1316

Deceased Owners

New York Codes, Rules and Regulations [Title 2 Part 126.1](#)

The confirmed date of death of an owner begins the applicable dormancy period. If you receive notice or indication, within the ordinary course of business, that the property owner is deceased, you must attempt to confirm the owner's death within 90 days. If you obtain confirmation, the dormancy period begins on the date of death. Record the date of this notification/confirmation.

Due Diligence

APL Section 1422

The APL requires that, at least 90 days prior to submitting its final report, the holder send a notice by first-class mail to each owner whose name is expected to appear on the report unless the address for the owner is unknown or the holder can demonstrate that the address it maintains for the owner is not the owner's current address.

In addition, at least 60 days prior to submitting its final report, the holder must send a notice by certified mail (return receipt requested) to each owner whose name is expected to appear on that report with abandoned property valued in excess of \$1,000 unless contact with the owner has been established, the first-class mailing was returned as undeliverable or the mailing address is outside the United States.

Electronic Contact

New York Codes, Rules and Regulations [Title 2 Part 125](#)

Certain types of electronic contact can be used to satisfy the written communication requirements in the APL to prevent the property from being deemed abandoned. This includes email communication from the entitled owner of the property that matches the registered email address on record with the holder or a verifiable login by the owner using a website or mobile application made available by the holder.

Holders Not Authorized to Conduct Business in New York State

APL Section 1312

The APL extends statutory coverage to any insurance company that:

- Is chartered or organized in another state and not authorized to do business in New York.
- Holds unclaimed property payable to a person whose last known address is within New York.

Such reporting organizations are subject to the same statutory reporting requirements as organizations doing business in New York. However, the publication requirement does not apply.

Other Property Types

Insurance companies are subject to other statutory requirements of the APL. Review the Law to determine if any apply to your organization.

Section 3214 of New York's Insurance Law

Amounts reportable as abandoned property pursuant to §700.1(a) (matured endowments) and §700.1(c) (proceeds of death claims) include statutory interest payable as provided in §3214 of New York's

Insurance Law. Interest is to be credited from the date of maturity of an endowment contract, or from the date of death of the insured, until the date these are reported as abandoned property. Interest and principal amounts are then reported as abandoned property together.

Important Issues

Beneficiary Information

With respect to insurance/annuity proceeds payable upon the death of the insured, the report should include identifying information for both the insured and the beneficiary.

Drafts

§1316 does not apply to amounts that the insurance company can prove are offers unaccepted by payee (the obligation is not liquidated), to settle a claim prior to establishment of liability under the terms of its policies. The issue of "drafts" is complex and you should consult our legal staff.

Group Insurance Policies

Article VII and §1316 apply to unclaimed amounts on group plans established as employee benefits.

Insurers Not Doing Business in New York State

Article VII and §1316 apply to all insurance companies, including insurers not doing business in New York but holding unclaimed amounts due to a New York resident. Reinsurers are subject to the same requirements as insurers.

Tax Deferred Accounts (i.e.: IRAs, ROTH IRAs, Coverdell Education Savings (ESA))

Traditional IRAs, Roth IRAs, ESAs, or other accounts that are qualified for tax deferral under the US income tax laws are reportable as abandoned property on the next report cycle following the mandatory distribution date, as prescribed by IRS guidelines, in the absence of contact/activity within the last three years from the account owner, unless the account is in distribution. If the account is in distribution, a three-year dormancy applies. If you cannot reasonably obtain the owner's date of birth, for ESA accounts use the account opening date as the owner's date of birth and for an IRA presume the owner was 21 on the day the account was open.

In reporting, use property types that reflect the nature of the account. For example, use 6F/IN04 if the

proceeds had been held in a trading or investment account. In the Date field, enter the date the owner reached the mandatory distribution age, as prescribed by the IRS. In the Description of Security field enter IRA. This clarifies that you are not reporting the account prematurely.

If securities are liquidated to comply with the IRS guidelines, report the remaining securities as shares and residual cash on a separate line for each owner. Include "IRA distribution withholding" in the Description of Security field.

While a Roth IRA is not subject to mandatory distribution rules during the original owner's lifetime, confusion may nonetheless exist among both the public and the holder community as to the proper treatment of the APL. For the purpose of consistency, OUF will not penalize reporting organizations for treating a Roth IRA in the same manner as the traditional IRA.

Pension Payments

Article VII and §1316 do not apply to pension payments. Such payments are reportable by the corporation, which offers the pension plan under the definition of wages. Refer to the General Corporations document.

Reporting Residency Requirements

Article VII and §1316 require reporting amounts owed to New York residents. If you cannot determine the address of the person apparently entitled to proceeds under Article VII or if you are uncertain which person is entitled to the funds, presume that the last known address of the entitled person is the same as the last known address of the insured, according to the insurance company's records. Furthermore, Article VII requires that insurers organized under New York laws report amounts held for unknowns. Under the provisions of §1316, amounts held by a New York incorporated insurance company for individuals whose last known address is unknown are also reportable to New York.

Retained Asset Accounts

Many insurance companies provide for payment distributions on life insurance policies in the form of a Retained Asset Account (RAA) option. Payment into an RAA is considered an insurance distribution. A three-year dormancy period applies from the date of distribution or written contact with the beneficiary/recipient, whichever is later. Property type 6G/IN12 was established for RAAs to differentiate these accounts from other types of policy distributions. If your organization is holding any dormant RAAs and has not reported them in previous years, contact us to file a voluntary compliance report.

If your company has already been reporting these accounts to New York, ensure these accounts are reported separately using property type 6G/IN12.

Two-Party Checks

Proceeds of “insurance other than life,” payable to the insured and another person, who is not insured under the policy, are also abandoned property. Both names should be included on the report with an indication regarding both payees in the report details.

Publication

The law requires you to:

- Publish a notice of unclaimed property that consists of the names and last known addresses, sorted alphabetically by last name, of all persons appearing to be entitled to abandoned property amounting to fifty dollars or more. The notice shall state that:
 - A report of unclaimed amounts of money or other property has been made to the State Comptroller and that a listing of names of persons appearing to be entitled is on file and open to public inspection at (insurance company name).
 - Such held amounts of money or other property will be paid or delivered to proven entitled parties by (insurance company name) through August 31.
 - On or before September 10, any remaining unclaimed monies or other properties will be paid or delivered to the State Comptroller.

Publish:

- On or before May 1.
- In the county in which the last known address of the policyholder is located or the adjacent county if no newspaper is published in such county.
- In a newspaper printed in English and any other newspaper that will substantially serve to inform the public of such abandoned property.

File proof by affidavit of publication with the State Comptroller on or before May 10. Our preferred method is by email to NYSRPU@osc.ny.gov.

Publications should be in English. The cost of subsequent publications is not deductible. This office advises not including additional details in the notice and using a readable font size for printing.

Items to Disqualify

When determining what items to publish, disqualify any items for which one of the following is true:

- The item value is less than \$50.
- You do not have an address on record, or the address is in a foreign country.

After applying the above criteria, disqualify all items if:

Payable:	and	Sum of the value of all advertised items is less than:
Within a New York City county (New York, Kings, Queens, Richmond, or Bronx)		\$10,000
In a county outside of New York City		\$2,500

You should publish any items remaining after disqualifications. Remember to only list an individual's name once. You may request a waiver from the publication requirements if the estimated cost of the publication will exceed 20% of the value of the property. The cost estimate for the publication must be included with the [waiver request form](#). See [2 NYCRR §117](#) for further information.

Allocation of Publication Costs

Allocate publication costs on a pro rata basis. Use one of the following methods to allocate cost to items published; both will yield the correct allocation amount. You may not make a bulk deduction for the publication against the total value of the report.

Percentage Method

Divide the amount of the item you are publishing by the total amount of the items you are publishing in that county and multiply the quotient by the total advertising expense.

For example: You are publishing a \$100 item along with other items (in the same county). The total for all items is \$10,000, and the total advertising expense for this county is estimated at \$50.

$\frac{\$ 100}{\$10,000}$	→	$.010 \times \$50 = \0.50
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The cost allocated to the \$100 item would then be \$0.50.

Cost Per Dollar Method

Divide the estimated total advertising expense for a particular county by the total amount of the items to be published in that county. The resulting percentage is then multiplied by the face value of the item being advertised to determine the amount of advertising charges to be applied to that item.

Using the example above, the calculation is:

$\frac{\$ 50}{\$10,000}$	→	$.005 \times \$100 = \0.50
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Regardless of the method applied, the publication cost you could deduct is \$0.50.

Mailing Requirements

First-Class and Certified Mailings

§1422 of the APL requires that all organizations do the following:

- At least 90 days prior to their final report/remittance date, send a notice by first-class mail to each owner whose name is expected to appear on that report unless:
 - The owner address is unknown,
 - The holder can demonstrate that the address it maintains for the owner is not the owner's current address, or
 - Note – if you use an address validation service and find a new address for the owner, you may send the notice to the new address but you should not change the original address on your report or books and records.
 - The items to be reported are valued at \$20 or less and are reported in the aggregate, in which case the owner's name will not appear on the report; therefore mailing a notice is not required.

And

- At least 60 days prior to their final report/remittance date, send a notice by certified mail, return receipt requested, to each owner whose name is expected to appear on that report with abandoned property valued in excess of \$1,000 unless:
 - Owner contact has been established,
 - The first-class mailing was returned as undeliverable, or
 - The last known address is outside of the United States.

Costs

You may deduct the mailing costs for certified mail. Deduct such charges from each item for which you are mailing the notice, or one item if you are rolling similar items for a specific owner into one item. You may not make a bulk deduction against the final remittance. The costs for completing the first-class mailing requirements cannot be offset.

Foreign Address

Exercise due caution in attempting to contact entitled owners who reside in politically sensitive countries as defined by the U.S. Department of Treasury's Office of Foreign Assets Control. Certified mailing requirements do not apply to residents of foreign countries. Address any questions pertaining to this subject to our Director of Audits.

Multiple Items

Where feasible, if you are reporting more than one item for the same owner, one letter should address all of the items you are reporting.

Multiple Owners

For cases in which multiple owners of an item have different addresses, you must send a notice to each owner. You may deduct the additional costs of mailing a certified notice to more than one address.

Remittance

Submit your remittance at the time you file a report. The remittance should be equal to the sum of the values of the accounts being reported to the Office of the State Comptroller. Pay your remittance by electronic transfer or check.

Electronic Funds Transfer

Electronic funds transfer is available to make payment of the amount due for your report of abandoned property. Find instructions including the account and routing number information in the [Electronic Funds Transfer Instructions](#).

Checks

Make checks payable to Comptroller, State of New York. You should mail it to the following address:

New York State Office of the State Comptroller
Office of Unclaimed Funds
Remittance Control, 2nd floor
110 State Street
Albany, NY 12236

Include the letters 'OUF' and the Date/Time stamp in the memo and advice areas of your check if you sent your report account details using one of our electronic reporting methods. This will help us apply your funds correctly.

In accordance with OUF's internal control procedures, send all payments to the above address. Do not send any checks to our New York City office.

Publication Sample

NOTICE OF NAMES OF PERSONS APPEARING AS OWNERS OF CERTAIN UNCLAIMED PROPERTY HELD BY [name of insurance company].

The following persons appear from our records to be entitled to unclaimed property consisting of cash amounts of fifty dollars or more:

Hill, Joseph
5897 Truman Blvd., Troy, NY 12180

Hoffman, Ada E.
Rte. 20, Albany, NY 12212

Richmond Savings Bank
257-03 Hillside Avenue, Albany, NY 12211

Simpson, Robert
1138 Clinton St., Schenectady, NY 12301

Walsh, David
714 Washington Ave, Albany, NY 12205

A report of Unclaimed Property will be made to the Comptroller of the State of New York, pursuant to Article VII and/or Section 1316 of the Abandoned Property Law. A list of the names contained in such notice is on file and open to public inspection at the principal office of the insurance company, located at [address of insurance company], where such abandoned property is payable. Such abandoned property will be paid on or before August 31 next to persons establishing to its satisfaction their right to receive the same. In the succeeding September, and on or before the tenth day thereof, such unclaimed property will be paid to the Comptroller of the State of New York, and shall thereupon cease to be liable therefore.

Schedule of Events for Article VII and Section 1316

January 1

For the purposes of reporting abandoned property, an insurance company's year runs from January 2 through January 1. January 1 is the cut-off date for all policies. Use it when identifying abandoned insurance accounts/items.

January 2 through May 1

During this period, review your records and collect data related to any account/item that may be dormant and subject to reporting.

If you find accounts/items subject to reporting:

- Update your report as necessary to reflect any activity that has occurred.
- Compile the data in one of our reporting formats, so that you may submit it as your final report.

If you do not find any items subject to reporting:

- Keep a record of your review.
- Do not send preliminary or negative (zero balance) reports.

May 1

By this date:

- [Publish](#) items from your report. You may deduct publication costs from the account's value.

May 10

By this date:

- File proof of publication. Include an invoice, a copy of the advertisement and an affidavit.

May 11 through August 31

During this period:

- Deduct publication charges.
- Complete report removals based on any contact with owners.

June 10

By this date:

- Send a notice by first-class mail to each person or entity whose name appears on your report of abandoned property and request a signed written statement from the owner that acknowledges the property's existence. This requirement does not apply to those accounts that meet the exclusionary provisions of §1422.
- Advise and educate internal staff about the due diligence notices for effective processing when the rightful owner contacts your organization.
- Reactivate all accounts of owners who respond to the notice or otherwise establish contact. Do not include these accounts on your report.

July 10

By this date:

- If an owner has not responded to the first-class mailing, or if the first-class mailing was not returned as undeliverable, and the value of all unclaimed property held for the owner exceeds \$1,000, you are required to send a second notification via certified mail, return receipt requested, if the address for the owner is within the United States.
 - You may charge the cost of the certified mailing against the property's value.
- Reactivate all accounts of owners who respond to the mailing. Do not include these accounts on your report.
 - Note: we consider a return receipt to be customer contact if the receipt bears the signature of the account owner. Verify return receipt signatures against the other signature records you may have for the owner.

On or before September 10

- Finalize the report.
- Arrange for payment.
- Report, payment, and a Verification and Checklist to be received in our office by the close of business on September 10.