



STATE OF MAINE
OFFICE OF THE STATE AUDITOR

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October 2, 2014

Honorable Neria R. Douglass Esq.
State Treasurer
Office of the State Treasurer
39 State House Station
Augusta, ME 04333-0039

Dear Neria,

The Office of the State Auditor conducted a limited procedures review to determine if unclaimed life insurance proceeds are being property transferred to the State's unclaimed property fund in accordance with Title 33 Chapter 41, Uniform Unclaimed Property Act. This review did not result in any findings; nevertheless, a summary report is attached.

We would like to thank you for your time and cooperation throughout this limited procedures review.

Sincerely,

A handwritten signature in blue ink that reads "Pola A. Buckley".

Pola A. Buckley, CPA, CISA
State Auditor

Attachment

cc. Anne L. Head Esq., Commissioner, Department of Professional and Financial Regulation
Eric Cioppa, Superintendent, Bureau of Insurance

State of Maine
Office of the State Auditor
Report on Limited Procedures Engagement
Unclaimed Life Insurance Proceeds

Summary

The Office of the State Auditor performed a limited procedures engagement of the State's procedures for ensuring compliance with Title 33 Chapter 44, Uniform Unclaimed Property Act, focusing specifically on unclaimed life insurance proceeds. The purpose of this engagement is to determine whether the combined efforts of the Office of the State Treasurer and Department of Professional and Financial Regulation, Bureau of Insurance result in adequate monitoring of insurance companies for compliance with this law.

Background

Over the past five years or so there has been increasing oversight of the life insurance industry. The purpose of this oversight is to ensure unclaimed death benefits are paid to state governments in accordance with unclaimed property laws. Industry experts determined that many of the largest insurance companies were not complying. As a result, there has been increased oversight by states to monitor insurance companies for compliance with unclaimed property laws.

Procedures

Determine whether the State of Maine has adequate procedures in place to ensure insurance companies are paying the state unclaimed life insurance proceeds in accordance with the law.

Results

We determined that the State of Maine's procedures to ensure compliance with the Uniform Unclaimed Property Act, specifically relating to unclaimed life insurance proceeds are adequate. The Office of the State Treasurer has contracted with Verus Financial, LLC to conduct audits of life insurance companies; these audits appear to be conducted in a professional manner. Furthermore, Maine's Bureau of Insurance, through their participation in the National Association of Insurance Commissioners (NAIC), is participating in Market Conduct Examinations to ensure insurance companies nationwide are complying with Unclaimed Property Laws.

Conclusion and Recommendations

No further review is needed; results are satisfactory, and there are no recommendations.

Agency Response

Not requested.