

Unclaimed property



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Each year the Mutual Benefit Association (MBA), along with many other financial institutions, has the obligation of reporting unclaimed property to each state’s treasury department. The majority of MBA’s unclaimed property is money belonging to policyholders who never cashed their checks from MBA or instances where we could not find the beneficiary of a life insurance policy. Another example of unclaimed property that would be turned over to the state is a bank account that has had no activity for a period of time.

MBA, like all insurance companies, makes several attempts to contact policyholders about these funds that are due to them before turning the

money over to the various state treasury departments. Most of our outstanding checks are dividend payments that are often small amounts, though some can be for several hundred dollars. A long-forgotten bank account could be much more.

In addition to following up on uncashed dividend checks, MBA matches death records provided by one of our vendors against our active policy files. This provides us with notice of the death of one of our policyholders, but it does not always help us find the beneficiary who is entitled to the proceeds of the insurance policy. The value of these insurance policies is often several thousand dollars and would best be paid directly to the beneficiary whom the policyholder has designated rather than remitted to the state.

As director of MBA, I have a legal and fiduciary responsibility to pay our policyholders, or their beneficiaries, the funds that are due and to minimize the amount of these funds that we remit to state treasury departments. This article highlights some of the actions that MBA takes to minimize its unclaimed property obligation and informs you of some of the things you can do to minimize the risk that funds that are due to you will be turned over to the state. It is important to note that not only does MBA perform its unclaimed property due diligence, but that all insurance companies, banks and other financial institutions may be making similar attempts to contact their policyholders/payees about unclaimed property prior to turning the funds over to their state of jurisdiction.

What does MBA do to find policyholders or beneficiaries who have unclaimed funds? We send several letters to the policyholder informing them of checks that have not cleared and of how to receive a replacement check for the

money they are due. We have traditionally had good luck with this method, but we do not always have a current address for the policyholder. In addition, when we have life insurance benefit payments, we use internet search software to locate the beneficiary we have on file or possible relatives of the beneficiary. This method generally works well; however, it does not always result in finding the payee.

Things you should do:

- Cash any checks within 90 days of the date they were issued or return them to MBA for reissue.
- Maintain contact with your financial institutions and inform them of any address changes or changes in ownership. Banks also have an unclaimed property obligation and will remit property to the state after a certain period of inactivity in an account. Unpaid fees on safe-deposit boxes may lead to box contents being turned over to the state.
- Check statements and correspondence from MBA or other financial institutions that may require a response and respond accordingly.
- Maintain copies of important documents and make sure that family members know where they are kept.
- Periodically review your beneficiary designation. This is extremely important, as we are required to pay the beneficiary on file with MBA even if those individuals listed aren’t important in your life today. We have paid more than one benefit payment to a divorced spouse because the policyholder’s beneficiary designation was not up to date. See my January 2023 *Postal Record* article for more information about beneficiaries.

In addition to those items listed above, I suggest that you also check your state’s unclaimed property website. Most states’ websites are easy to navigate and normally have a location where you can search for unclaimed property that has been turned over to the state. You can periodically do an internet search of the states where you have lived to see whether there have been any funds remitted to the state that belong to you or a close family member. Each state has procedures to claim unclaimed property that it has received.

It is often easier to do those little things that will ensure that your hard-earned money isn’t misplaced than to take the steps necessary to recover this money from a state’s treasury department.

For information regarding any of the MBA products, please call the MBA office toll-free at 800-424-5184, Tuesdays and Thursdays, 8 a.m. to 3:30 p.m., or call 202-638-4318, Monday through Friday, 8 a.m. to 3:30 p.m. Eastern time. You also may visit our website at nalc.org/mba.