

Unclaimed property



**James W.
“Jim” Yates**

Each year, the Mutual Benefit Association (MBA) has the obligation of reporting unclaimed property to each state’s treasury department. Unclaimed property is money belonging to policyholders who never cashed their checks from MBA. MBA, like all insurance companies, makes several attempts to contact policyholders about these funds that are due to them before remitting them to the various state treasury departments. Most of our outstanding checks are dividend payments that are often small amounts, but some can be for several hundred dollars.

In addition to uncashed dividend checks, MBA matches death records provided by one of our vendors against our active policy files. This provides us notice of when one of our policyholders has died, but it does not always help us find the beneficiary to whom the insurance proceeds should be paid. These insurance proceeds are often several thousand dollars, and would best be remitted 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 are required to remit to state treasury departments. In this article, I will highlight some of the actions that MBA takes to minimize its unclaimed property obligation and inform you of some of the things that you can do to minimize the risk of funds that are due to you being turned over to the state. It is important to note that not only does MBA perform its unclaimed property due diligence, but all insurance companies, banks and other financial institutions may be making similar attempts to contact their policyholders/payees about unclaimed property.

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 that 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 works well; however, it does not always result in finding the payee.

Things you should do:

- Cash any checks within 90 days of 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 because of inactivity in an account. In addition, 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 for important papers. 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 benefit designation was not up to date. (See my April *Postal Record* article for more information about beneficiaries.)

In addition to those items listed above, I also suggest that you 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 has been turned over to the state. 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 at 800-424-5184, Tuesdays and Thursdays, 8 a.m. to 3:30 p.m. Eastern time, or call 202-638-4318, Monday through Friday, 8 a.m. to 3:30 p.m. You also can visit our website at nalc.org/mba.

Please note: Currently, due to the COVID-19 pandemic, the MBA phone lines are open only on Tuesdays and Thursdays from 8 a.m. to 3:30 p.m. Eastern time.