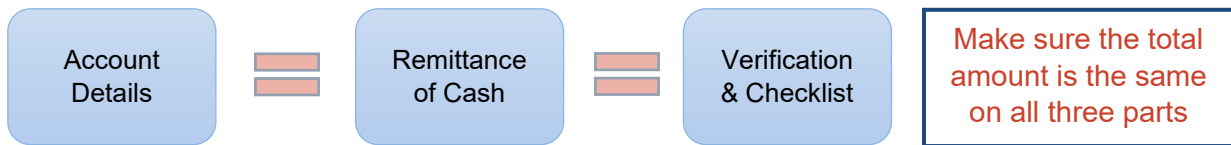


## Unclaimed Property Relating to Insurance Companies – Reference Sheet

Schedule of Events for APL 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: [osc.ny.gov/unclaimed-funds/reporters](https://osc.ny.gov/unclaimed-funds/reporters) for more details including forms and contact information.

### Applicable Property Types

NAUPA II Property Type	Property Type Description	Dormancy Period
IN01	Individual Policy Benefits or Claim Payments	3 years
IN02	Group Policy Benefits or Claim Payments	3 years
IN03	Proceeds Due Beneficiaries	3 years
IN04	Proceeds from Matured Policies, Endowments or Annuities	3 years
IN05	Premium Refunds	3 years
IN06	Unidentified Remittances	3 years
IN07	Other Amounts Due Under Policy Terms	3 years
IN12	Retained Asset, Benefit Access or Similar Distribution Accounts	3 years
IN77	Limiting Age (superannuated) contracts	None
ZZZZ	Late filing interest	

## Unclaimed Property Relating to Insurance Companies

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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:

<a href="#">Unclaimed Property</a>	3
<a href="#">Statutory Considerations in Addition to Article VII and §1316</a>	3
<a href="#">Important Issues</a>	4
<a href="#">Publication</a>	5
<a href="#">Publication Sample</a>	7
<a href="#">Mailing Requirements</a>	8
<a href="#">Remittance</a>	9
<a href="#">Schedule of Events</a>	9

## Unclaimed Property

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Unclaimed property subject to Article VII of the APL includes:

- Matured endowments.
- Life insurance proceeds when the insured has 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

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### Deceased Owners

#### [2 NYCRR § 126.1](#)

Where a dormancy period has not otherwise been triggered, 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 may begin on the date of death. Record the date of this notification/confirmation. Valid joint owner activity will prevent one owner's death from triggering the dormancy under this provision. The property is reportable on the earlier of the starting transaction date (issue date or date of last customer generated activity/contact) or date of death plus the applicable dormancy period.

### 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

#### [2 NYCRR § 125.1](#)

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

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### 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.

### 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 All Business Entities handbook.

### 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 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 IN12.

### Tax Deferred Accounts (including IRAs, Roth IRAs, Keogh and Education Savings Accounts (including 529 and Coverdell ESA))

Traditional IRAs, Roth IRAs, Keogh 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 set 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. Report a 529 educational savings balance in the year when the account's beneficiary reached age 18. For a Coverdell ESA report in the cut-off year when the account's owner reached age 30.

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 consistency, OUF will not penalize reporting organizations for treating a Roth IRA in the same manner as the traditional IRA.

If you cannot reasonably obtain the owner's date of birth for Coverdell ESA accounts, or the beneficiary's date of birth for a 529, 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 opened.

In reporting, use property types that reflect the nature of the account. For example, use IR03 if there are savings held in an IRA account.

In the Date field, enter the date when the owner reached the mandatory distribution age, as set by the IRS. In the Description of Security field enter IRA. This clarifies that you are not reporting the account prematurely.

Reported amounts constitute distributions from the IRA. If securities are liquidated to comply with the IRS withholding 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.

### 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 in the report with an indication regarding both payees in the report details.

## Publication

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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 unclaimed funds amounting to \$50 or more. The notice shall state that:
  - A report of unclaimed amounts of money or other property will be 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](mailto: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. See [2 NYCRR § 116](#) for more information.

### 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.

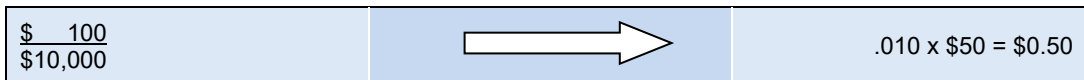
### Allocation of Publication Costs

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.

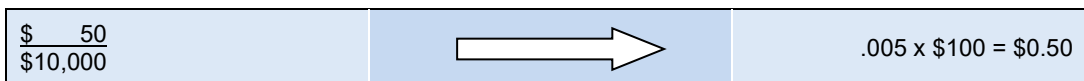


The cost allocated to the \$100 item would then be \$0.50.

#### 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:



For the example above, regardless of the method applied, the publication cost you could deduct is \$0.50. You may not make a bulk deduction for the publication against the total value of the report.

### Waiver of Publication Requirements

You must obtain and retain publication cost estimates for a waiver from publication requirements under 2 NYCRR § 117.1. Waiver requests pursuant to 2 NYCRR §§ 117.1(a) or (b) for publication expense estimated to be greater than 20 percent of the total value of the property to be advertised may be deemed granted without further action from our Office. Send a completed waiver request form to certify when the requirements under 2 NYCRR § 117.1 are met. You must provide an explanation of the circumstances and why a waiver is desirable if you are requesting waiver for "special circumstances" under 2 NYCRR § 117.1(c).

## Publication Sample

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### **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.

## Mailing Requirements

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### First-Class and Certified Mailings

Section 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 in that report, unless:
  - The owner's 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 you are reporting are valued at \$20 or less and you are reporting them in the aggregate, in which case the owner's name will not appear in the report, therefore you are not required to mail a notice.

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 in that report with abandoned property valued in excess of \$1,000, unless:
  - Owner has established contact,
  - The first-class mailing 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. You cannot offset the costs for completing the first-class mailing requirements.

### Multiple Items

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

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

### ACH Debit

If a [file upload or Manual Online Report](#) was completed, pay electronically with [ACH Debit](#) after uploading your file or by using this link.

### Electronic Funds Transfer

Electronic funds transfer alternatives are 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 holder organization's FEIN in the memo and advice areas of your check if you send 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.

## Schedule of Events

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### 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. Do not submit your report of abandoned property until after the cut-off date has passed.

### 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:

- Compile the data in one of our reporting formats, so that you may submit it as your final report.

If you do not have 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 by email to [NYSRPU@osc.ny.gov](mailto:NYSRPU@osc.ny.gov), including 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 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 in 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 funds 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 in 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.