



PR14:11
For Immediate Release:
3/11/2014

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Chiang Awarded Lawyer of the Year for Protecting Life Insurance Policyholders and Beneficiaries

SACRAMENTO – State Controller John Chiang will tonight be presented with an award for being a "Lawyer of the Year" by the California Lawyer magazine.

Each year, the magazine recognizes top attorneys for work in various areas of practice. The Controller was recognized for leading multi-state settlement agreements with life insurance companies to restore the value of old life insurance policies and pay beneficiaries.

Chiang's five-year investigation into the life insurance industry's compliance with state unclaimed property laws revealed an industry-wide practice of companies failing to pay death benefits to the beneficiaries of life insurance policies. Instead, companies would draw-down the policies' cash reserves in order to continue collecting premium payments from the deceased. Once the cash reserves were depleted, the company would cancel the policy.

Using the State's 1959 Unclaimed Property law, which protects owners of lost or abandoned financial accounts, the Controller reached settlements with 18 major insurers that write the majority of all issued and active life insurance policies nationwide. The broad-reaching settlements, joined by more than 20 other states, restore the value of old life insurance policies back to 1995 and commit the insurers to pay an estimated \$267 million in insurance proceeds to California beneficiaries. If a company cannot find the beneficiaries, then the property is sent to the Controller's Office to safeguard until it is claimed by the rightful owner or heir.

The companies involved in the settlements are now in the process of sending out life insurance proceeds and working with the Controller's office to track down heirs in California.

Read more about the Controller's efforts to protect .

See the original [announcement](#) from the magazine.

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