

CONTROLLER STEVE WESTLY

STATE OF CALIFORNIA

300 Capitol Mall
Sacramento, CA 95814
916.445.2636
www.controller.ca.gov

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CONTACT: STEVEN FISHER
916-445-2636

WESTLY BRINGS \$67 MILLION TO STATE FOR CALIFORNIANS

New Law Brings Millions to the Unclaimed Property Program

Sacramento, CA – State Controller Steve Westly today announced the Controller’s Office collected \$67 million in unclaimed insurance company stock and cash proceeds belonging to countless Californians. Beginning immediately, Californians who held policies in the MetLife insurance companies that converted to shareholder entities can find out if money is owed to them by contacting the Controller’s Office Unclaimed Property Program.

The shift of unclaimed proceeds into the Unclaimed Property Program was made possible by Assembly Bill 378, which was sponsored by Controller Westly and authored by Assemblymember Darrell Steinberg (D-Sacramento).

“This is another example of how the unclaimed property program is reuniting Californians with their money,” said Westly. “I urge possible recipients to check with my office to see if they can make a claim.”

Prior to AB 378, California’s unclaimed property law did not address what happened to proceeds for policyholders of insurance companies that converted from mutual to stockholder entities, a process called demutualization. As a result, even if the insurance companies had lost contact with policyholders many years ago, the companies would hold the shareholder-related proceeds for three more years before it paid the funds over to the State as unclaimed property.

AB 378 (Chapter 304/Statutes of 2003) accelerated the time frame for insurance companies to report and remit unclaimed proceeds that were distributable to policyholders as a result of demutualization.

The Controller’s Office has already received information and funds for 99,597 MetLife policyholders whose last known address was in California. Our office received more than \$67 million, including stock valued at about \$63.2 million and cash accounts of \$3.8 million. Original estimates for the increased revenue for unclaimed demutualization proceeds under this bill were for \$80.1 million. It appears that this estimate will easily be exceeded as additional reports are received. The reports are due on or before May 1, 2004.

“This new law is a victory both for the state and for owners of unclaimed property,” said Steinberg. “It increases General Fund revenue while also protecting Californians by enabling them to locate and access lost property more quickly.”

Policyholder names will be loaded to the Controller's Unclaimed Property database over the next several weeks and will be available for the policyholders or their heirs to claim.

Policyholders with MetLife, or their heirs, can call the Controller's Office's toll free number at 1-800-992-4647 to check for any unclaimed proceeds.

Once the Controller's Office has attempted to notify owners of the accounts, the names will also be released to the Controller's web site and can be located by conducting a property search at www.controller.ca.gov.

The state acquires unclaimed property through California's Unclaimed Property Program, which reunites Californians with money that is owed to them. State law requires "holders" such as corporations, business associations, financial institutions, and companies to annually report and deliver property to the Controller's Office after there has been no customer contact for three years. Often the owner forgets that the account exists, or moves and does not leave a forwarding address or the forwarding order expires. In some cases, the owner dies and the heirs have no knowledge of the property.

*For more information on the Unclaimed Property Program, please visit
the Controller's web site at www.controller.ca.gov*

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