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# NEWS

## Illinois Department of Insurance

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### Department of Insurance Announces \$500 Million Settlement with MetLife

#### *Illinois DOI lead multi-state effort to examine use of Social Security records*

**CHICAGO – April 23, 2012.** A six-state task force led by the Illinois Department of Insurance (DOI) today announced that the states have reached a multi-million dollar settlement with Metropolitan Life Insurance Company and its life insurance affiliates (“MetLife”). Under the settlement, MetLife and its affiliates agreed to pay more than \$500 million in life insurance benefits and also agreed to pay \$40 million to states that are a party to the settlement to pay for stepped up monitoring by the states.

The settlement is a result of a multi-state examination led by Illinois which investigated MetLife’s use of the Social Security Administration’s “Death Master File” (DMF) to confirm the death of its deceased policyholders. The exam revealed that while MetLife used information from the DMF to stop annuity payments to policyholders, it did not use that information to identify beneficiaries who may have been eligible for payment benefits under life and endowment policies.

“As a result of the examination, MetLife has agreed to fundamentally change its business practices to proactively seek, locate and pay beneficiaries when MetLife knows a death has occurred, and not just wait until a beneficiary contacts it,” said DOI Director Andrew Boron.

Under the agreement, MetLife has committed to building a system that will match, on a monthly basis, all of its insureds under life insurance and endowment policies against the information from the DMF to help identify when an insured has died, and to promptly locate and make payment to beneficiaries. The settlement also requires MetLife to pay a total of \$40 million to the states for examination, compliance and monitoring costs. The \$40 million will be shared by all states that join with the six lead states in signing the settlement agreement. In addition, MetLife has agreed to early endow and pay 709,000 in-force industrial life policies having a face value of \$500 million.

Director Boron commends MetLife’s willingness to work with state regulators and to improve its business practices for the benefit of consumers. Director Boron noted that the settlement was the result of a tireless collaborative effort of state insurance regulators “demonstrating that state-based regulation is efficient and effective in protecting consumer interests.”

The agreement becomes effective after it is signed by 20 states. Along with Illinois, California, Florida, New Hampshire, North Dakota and Pennsylvania have signed the agreement as lead states.

A copy of the settlement agreement is available on the DOI website at <http://insurance.illinois.gov>. Consumers with any question concerning this examination, or who have any question or concerns about their insurance, should contact the Department's Consumer Division at <http://insurance.illinois.gov> or call 866-445-5364.

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