

<b>MetLife</b>	<b>BL9001 – Insurance</b>	
<b>EL0701 – Transaction Capture, Execution &amp; Maintenance</b>	<b>USD – 500,000,000.00 LOSS</b>	<b>USD – US Dollar</b>
<b>US – UNITED STATES</b>	<b>North America</b>	

## MetLife in USD 500 million settlement over unpaid life insurance payments

MetLife is to pay around USD 500 million (EUR 398 million) to settle a multistate probe into unpaid life insurance payments to deceased policyholders.

The US Government Social Security Administration Death Master File, which is a database of deceased individuals, was the focus of the probe. MetLife had information about the deaths of life insurance policyholders from the database, but did not use that information to pay benefits, an investigative hearing found. According to Reuters, “a number of states have accused insurers of using the list to stop making annuity payments to dead customers, but at the same time not using the list to check whether any life insurance policy holders had passed away”.

The settlement is reported to comprise USD 438 million in payments to policyholders and beneficiaries and USD 40 million in costs.

Prudential Financial settled a similar deal with 20 states in January 2012, and Reuters reports that in a conference call to discuss the MetLife investigation, the National Association of Insurance Commissioners said that “there are still eight Death Master probes under way and that it is hoping for settlements in those cases like the MetLife and Prudential deals”.

An investigation by the New York State Department of Financial Services (NYSDFS) in a separate Death Master File case has resulted in payments of more than USD 260 million to insurance policy beneficiaries. Law360 reports that NYSDFS Superintendent Benjamin M. Lawskey said in a statement: “There is simply no reason why insurance companies shouldn’t be scrubbing their policy lists with the death index database on a frequent basis”.

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<b>Source(s):</b> <a href="http://www.reuters.com/article/2012/04/23/metlife-idUSL2E8FN7GV20120423?feedType=RSS&amp;feedName=governmentFilingsNews">http://www.reuters.com/article/2012/04/23/metlife-idUSL2E8FN7GV20120423?feedType=RSS&amp;feedName=governmentFilingsNews</a> <a href="http://www.law360.com/insurance/articles/332969">http://www.law360.com/insurance/articles/332969</a> <a href="http://www.sco.ca.gov/PDF-Var/eo_pressrel_11971.pdf">http://www.sco.ca.gov/PDF-Var/eo_pressrel_11971.pdf</a>	<b>Related Articles</b> <a href="#">Nationwide Financial Services pays USD 7.2 million to settle - 2 Prudential is to pay USD 17 million to state insurance regul - 138</a>
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Event	Published in Media 23/May/2012	Date of Occurrence – From N/A	Date of Occurrence – To N/A	Discovery Date N/A	Date of Recognition / Settlement 23/Apr/2012
Loss Amount USD <b>USD 0.00</b>	Loss Amount EURO <b>EUR 400,000,000.00</b>	Provision <b>No</b>	Boundary Risk <b>N/A</b>		
Industry Event <b>N/A</b>	Scenario <b>Mis-Selling &amp; Business Practices</b>	Product <b>PD9800 - Non-Banking Product</b>	Process <b>PC1501 - Policies, Governance &amp; Monitoring</b>		
Parent Company <b>MetLife</b>	ORX Member <b>No</b>	Role of Firm <b>LS0308 - Not Identifiable</b>	AMA Status <b>No</b>		
Cause 1 <b>CS0403 - Inadequate Policy / Procedure</b>	Cause 2 <b>CS9999 - Not Identifiable</b>	Cause 3 <b>CS9999 - Not Identifiable</b>			
Counterparty <b>LS0207 - Individual - Retail</b>	Jurisdiction / Choice of Law <b>LS0101 - United States of America</b>	Environmental Volatility <b>LS0406 - Not Identifiable</b>			