

**Consumer Action  
Consumer Federation of America  
Consumers Union  
National Association of Consumer Advocates  
National Consumer Law Center (on behalf of its low income clients)  
Public Citizen  
Unclaimed Property Consumer Protection Alliance  
U.S. PIRG**

August 29, 2016

Richard T. Cassidy, President  
Melissa Hortman, Vice President  
Anita Ramasastry, Chair of the Executive Committee  
Executive Committee of the Uniform Law Commission  
c/o Liza Karsai  
Uniform Law Commission  
111 N. Wabash Avenue  
Suite 1010  
Chicago, IL 60602

**Re: Anti-Consumer Components Included in Final UUPA**

Dear Executive Committee Members:

Several of our organizations wrote to the Uniform Law Commission's (ULC) Drafting Committee to Revise the Uniform Unclaimed Property Act (UUPA) on October 7, 2015 to express our concerns about the then draft UUPA. While some of those concerns were addressed in the final UUPA that was approved by the ULC in July, we are disappointed and alarmed by some of the model bill's provisions. This letter is intended to highlight the most blatantly anti-consumer provisions in the final UUPA, so that state legislatures can amend the UUPA to make it more consumer friendly before enacting it.

State unclaimed property laws are meant to serve one fundamental purpose: ensure that people can recover property that rightfully belongs to them. Unfortunately, several provisions in the final UUPA run counter to this fundamental purpose. As state lawmakers across the country consider the UUPA, we urge them to fix the following components that as currently drafted do not benefit ordinary citizens:

**1. Gift Cards**

Gift cards have become increasingly popular amongst consumers, and as such, have become a growing type of unclaimed property. The final UUPA does not take a position on whether gift cards should be considered unclaimed property. We urge state lawmakers to recognize that the people they represent should not be forced to forfeit money that belongs to them simply because it is in the form of a

gift card. State unclaimed property laws should make clear that gift cards can indeed be unclaimed property.

## **2. Knowledge of Death**

Insurance companies have access to the Social Security Administration's Death Master File (DMF) and regularly use it to determine when to discontinue annuity payments. While the DMF is good enough for insurance companies when it saves them money, they have successfully kept the ULC from requiring them to accept it as proof of death when it comes to life insurance policies. By not mandating DMF searches in the final UUPA, insurance companies will be able to avoid or substantially delay the payment of life insurance benefits to survivors or the reporting of unclaimed proceeds to state administrators. We urge state lawmakers to correct this and require insurance companies to review the DMF and accept a DMF match as proof of death. Without this change, survivors will be required to send a paper death certificate before the company will give them the benefits they are owed, and the process of determining whether the property is unclaimed by the states will be significantly delayed. Considering the availability and reliability of the DMF, this extra step is overly burdensome, time consuming, and serves no justifiable purpose.

## **3. Statutes of Limitation**

The final UUPA imposes a five-year limit on actions or proceedings to enforce reporting, payment, or delivery options when a holder has filed a "non-fraudulent" report (a term that is left undefined). Likewise, the final UUPA creates an absolute bar on all actions, proceedings, and examinations with respect to any holder duty after ten years (even if the holder has actively concealed possession of property). These limits are arbitrary, and unduly limit the ability of state unclaimed property officials to uncover unclaimed property and return it to the people to whom it rightfully belongs. These provisions also fail to acknowledge or provide remedy for the fact that holders sometimes file incomplete reports that underreport or omit substantial portions of property. We urge state lawmakers to remove these provisions to prevent holders from keeping what amounts to billions of dollars annually simply because an arbitrary amount of time has passed.

There are other aspects of the final UUPA that also do not serve the best interests of consumers, and we encourage lawmakers to thoroughly examine and consider the effects of these provisions on their constituents. It is no secret that powerful corporate interests have worked hard to influence the drafting of the UUPA, and the final version bears the evidence. We implore policymakers to put consumers first, and remember that the ultimate goal of unclaimed property laws is to reunite people with the property that belongs to them.

Sincerely,

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