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**Kemper Companies Sue to Block Audit to Confirm Payment of Life Insurance Policies**  
*Audits of Other Life Insurance Companies Identified More Than $195 Million Owed to Grieving Families*

**SPRINGFIELD** – Three Kemper insurance companies sued State Treasurer Michael Frerichs to block an audit that would identify life insurance policies belonging to people who have died but the benefits have not been paid to their loved ones.

Since 2013, most insurance companies under audit by Illinois have complied with requests to review records. The audits have identified more than $195 million in previously unpaid life insurance benefits and annuities. The insurance companies and Frerichs’ office are working together to contact beneficiaries so they can receive the money and fulfill the wishes of the deceased.

“We made a simple request to audit these companies to determine whether they are holding onto unpaid death benefits. I can only guess as to why their lawyers responded with a lawsuit rather than work with us to help those who have suffered a death in their family,” Frerichs said.

According to the lawsuit, Kemper contends the three companies are not required to provide the Treasurer access to their records so that previously unpaid benefits can be identified. Further, Kemper contends it is under no obligation to consider death benefits as unclaimed unless it has either received a payment request and proof of death from a beneficiary; or the insured, if still living, would be at least 99 years old. This would allow Kemper to disregard compelling evidence that an individual has been dead for decades.

United Insurance Company of America in Illinois, Reserve National Insurance Company in Oklahoma and The Reliable Life Insurance Company of Missouri each are part of the Kemper family of companies. Collectively, the companies filed the lawsuit in Sangamon County, case no. 2015MR998.

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Part of the Treasurer’s role is to return unclaimed property to the rightful owner or heir. This includes life insurance proceeds as well as lost bank accounts and forgotten stock investments. Items typically are surrendered if they remain unpaid for at least five years and the company is unable to locate the owners. The Treasurer’s Office is required by law to hold that money for the beneficiaries forever. Some companies try to avoid handing over unclaimed property so they can profit from someone else’s property.

Not only does allowing decades to pass following a death needlessly harm the policyholder’s beneficiaries or heirs, but it also drastically reduces the possibility of finding those beneficiaries.

The lawsuit stems from Frerichs’ request to review Kemper’s policy records. Kemper acknowledges in the lawsuit that 22 other insurance companies have opened their books to be audited by a third-party on behalf of the Illinois Treasurer’s Office. This represents the majority of the market.

The three companies claim 160,000 active life insurance policies in Illinois. Frerichs has requested Attorney General Lisa Madigan to represent the state’s interests in the Kemper lawsuit.

**About the Illinois Treasurer**

The Illinois Treasurer is the state’s chief investment officer and Frerichs is a Certified Public Finance Officer. He protects consumers by encouraging savings plans for college or trade school, increasing financial education among all ages, and removing barriers to a secure retirement. As the state’s Chief Investment Officer, he actively manages approximately $25 billion. The portfolio includes $13 billion in state funds, $7 billion in college savings plans and $5 billion on behalf of local and state governments. The investment approach is cautious to ensure the preservation of capital and returns $28 to the state for every $1 spent in operations. The Treasurer’s Office predates Illinois incorporation in 1818. Voters in 1848 chose to make it an elected office.