

ROBERT F. MATZIE, MEMBER
16TH LEGISLATIVE DISTRICT
121 IRVIS OFFICE BUILDING
P.O. BOX 202016
HARRISBURG, PENNSYLVANIA 17120-2016
PHONE: (717) 787-4444
FAX: (717) 780-4772

WWW.PAHOUSE.NET/MATZIE



SEND ALL CORRESPONDENCE
AMBRIDGE OFFICE:
1240 MERCHANT ST., 1ST FLOOR
AMBRIDGE, PENNSYLVANIA 15003
PHONE: (724) 266-7774
(412) 565-3569
FAX: (724) 266-7634

House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG

Memo

To: All House Members

From: Representative Robert F. Matzie

Date: January 6, 2011

Re: Co-Sponsorship of Legislation – Life Insurance Policy Regulations (Former HB2682)

In the near future I will be re-introducing (former HB2682) legislation to address the recent news accounts (see, e.g. <http://www.npr.org/templates/story/story.php?storyId=128799983&ft=1&f=>) of life insurance companies that profit from death benefits through use of retained asset accounts. These accounts have been utilized by insurers to pay the proceeds of a life insurance policy, but unfortunately have been – at times – used to the detriment of consumers.

In some instances, consumers have been led to believe that they have immediate access to the account, when in fact they have not had that access. In other instances, the insurance company has earned interest far above what it has paid consumers.

Pennsylvania has no explicit regulatory authority over these practices and my legislation will fill that regulatory hole. Specifically, my legislation will prohibit use of retained asset accounts as the default method for satisfying a life insurance obligation, and will require full disclosure by insurers of those instances where the account is used. The disclosure will include the accounts features, including immediate access to the funds.

Previous Co-Sponsors- *DeLUCA, BARBIN, R. TAYLOR, BELFANTI, CALTAGIRONE, D. COSTA, DALEY, FREEMAN, GEORGE, GRUCELA, HENNESSEY, LENTZ, MELIO, MUNDY, PASHINSKI, SIPTROTH, K. SMITH, SOLOBAY and STABACK*

I hope you will join me in co-sponsoring this important legislation. If you would like to do so, please contact Keontay Hodge at Khodge@pahouse.net or 717-787-4444.

Thank you.

“SERVING ALLEGHENY & BEAVER COUNTIES”

PRINTED ON RECYCLED PAPER