

PRESS RELEASE

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For Immediate Release

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New Hampshire Insurance Department Settlement with Prudential Protects Life Insurance Consumers

CONCORD, NH – February 03, 2012 - New Hampshire Insurance Commissioner Roger Sevigny announced today that the New Hampshire Insurance Department is among seven lead states that have entered into a multi-million dollar settlement with Prudential Insurance Company of America and some of its affiliates.

The settlement is a result of a multi-state examination conducted by seven lead states --New Hampshire, Florida, California, Illinois, New Jersey, Pennsylvania and North Dakota-- which investigated Prudential's use of the Social Security Administration's "Death Master File" (DMF) to locate information about deceased policyholders. Life insurance companies review the DMF to find out if any consumer they insure has died. The exam looked at how Prudential used information from the DMF to terminate annuity payments and to pay benefits to the beneficiaries on life insurance policies.

The exam revealed that while Prudential used information from the DMF to stop payments to consumers receiving annuity benefits, it did not have the same systems or practices in place to identify beneficiaries who may be eligible for payment benefits under life insurance policies.

"As a result of this exam, Prudential has agreed to change its business practices and comply with its obligation to take reasonable steps to pay the proceeds of life insurance policies to beneficiaries when the company knows a death has occurred," said Commissioner Sevigny.

Under the agreement, Prudential has committed to building a system that will review information from the Social Security Administration's DMF on a regular and uniform basis to help identify when a consumer has died, to locate beneficiaries, and make payments to beneficiaries. The settlement also requires Prudential to pay a total of \$17 million for examination, compliance and monitoring costs. The \$17 million will be shared by all states that join with the seven lead states in signing the settlement agreement. Commissioner Sevigny commends Prudential's willingness to work with state regulators and to improve its business practices for the benefit of consumers.

Commissioner Sevigny noted that the settlement was the result of a 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 New Hampshire, Florida, California, Illinois, New Jersey, Pennsylvania and North Dakota have signed the agreement as lead states.

A copy of the settlement agreement is available on the New Hampshire Insurance Department website at <http://www.nh.gov/insurance/consumers/documents/prsa.pdf> Consumers with any questions concerning this examination, or who have any questions or concerns about their insurance, should contact the Department’s Consumer Division at consumerservices@ins.nh.gov or phone 1-800-852-3416 (in state) or 603-271-2261.

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