

October 7, 2015

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Drafting Committee To Revise the Uniform Unclaimed Property Act
c/o Katie Robinson
Uniform Law Commission
111 N. Wabash Avenue
Suite 1010
Chicago, IL 60602

Dear Drafting Committee Members:

Color of Change is writing to express concern with the current draft of the revised Uniform Unclaimed Property Act (UUPA). We are the largest online organizing civil rights group in the country, representing over 1.3 Million members. Together with our members, we work to challenge corporate involvement in politics and policies that disproportionately impact people of color, specifically African Americans, and low-income communities. It is for this reason that we are speaking out against proposed changes to UUPA.

One particular area of concern is the effect of revisions to UUPA on unclaimed life insurance policies. A research study released by LIMRA found that 6 in 10 middle market African Americans own individual life insurance compared to only 46 percent of the U.S. middle market. While the number of people with life insurance has plummeted over the years, African Americans have continued what has been a long history of embracing life insurance more than any other race or ethnicity in this country- even through economic downturn. In fact, for many African Americans, as well as other low-income communities, life insurance is the *only* means of leaving an inheritance to their loved ones. This makes African Americans not only crucial consumers of the life insurance industry, but also a particularly vulnerable target to predatory practices by the industry.

Given that, it is all the more urgent that this Committee acts with prudence when it comes to protecting those who have historically used life insurance not only to bury loved ones, but to build independent wealth. This also is true for other unclaimed property and assets, such as gift cards and small bank accounts. Many low-income families relocate frequently to follow opportunity or for other financial reasons- making it all the more likely that they will both accumulate unclaimed property and will be harder to track down.

After much research into this matter, we strongly believe that the changes to state unclaimed property laws in the current draft would disproportionately harm consumers of color throughout the country. Corporate influence in the drafting

process has lead to changes that will explicitly benefit life insurance companies and other financial institutions to the detriment of those they profit from. Below are some of our biggest concerns, which we urge you to take into account when developing the final draft.

- Not eliminating the provision of the UUPA requiring that unclaimed property must be turned over to the states regardless of the expiration date established by contract or statute for the owner to claim the property directly from the company holding the property. Without this in place, companies will be able to arbitrarily limit the time by which property must be claimed, ensuring that unclaimed property will never have to be turned over to the state.
- Not exempting gift cards from the scope of the Act. Currently over \$44 Billion in gift cards have been unredeemed since 2008, resulting in a significant loss of assets that disproportionately impact low-income families.
- Not absolving companies of taking any action or steps necessary to determine the death of a claimant short of a certified copy of a death certificate from the family.
- Establishing a standard other than returned mail that lays out when financial institutions should begin to track whether security or retirement accounts might be unclaimed, regardless of how long the account has been inactive or even if the account holder is deceased. This ensures that corporations are not relieved of their obligation to identify billions of dollars in forgotten property, which would prevent the rightful owners from ever being able to claim it.
- Not prohibiting or restricting the ability of states to rely on third-party professionals compensated on a “pay-for-performance” basis to assist them in enforcing the unclaimed laws. Most states have little or no internal audit staff and rely on use of these third-party contractors to help them ensure that unclaimed property is reported as required by large multi-state corporations.

Right now billions of dollars in unclaimed property are being used to pad the bottom line of corporate entities. For the sake of all consumers, but particularly those most vulnerable, it is crucial that they receive every opportunity to be reunited with their unclaimed property and/or assets. This is severely threatened by the current ULC process. As such, we strongly urge you to review the process and work towards strengthening protections for consumers, not destroying them.

Sincerely,



Brandi L. Collins, Campaign Director

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