Dear Editor,

Lessons learned from the MetLife $700 million unclaimed property settlement

The recent media attention to MetLife's $700 million settlement, with more than $9 million due to Florida residents, highlights the danger of non-compliance with state unclaimed property laws. In MetLife's case, the fact that they timely paid $58 billion in life insurance benefits in 2010 does not take the sting out of being portrayed as a company that does not perform its due diligence or pays its claims.

The underlying transaction between the insurer and the policy owner is based on the premise that beneficiaries will receive their policy proceeds as quickly as possible. MetLife has fulfilled that commitment 99% of the time. However, it is the 1% of delayed payment that is receiving the attention and tarnishing the reputation of MetLife and other large insurance companies.

Here are the top 5 things that other companies can learn from this unfortunate situation:

1. Do not assume that your company is in compliance with the states' unclaimed property laws.
2. Engage an independent consultant to review policies and procedures for potential compliance gaps.
3. Perform a risk assessment to identify potential areas of non-compliance or exposure.
4. Make sure to stay on top of changes in the states' unclaimed property laws.
5. Comply with the states' unclaimed property laws, including the annual reporting of unclaimed property.

Other companies can learn from this incident because this is what could happen if you don't comply. As the old adage goes, "an ounce of prevention is worth a pound of cure."

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