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State: Property claims soar in 2005

The state Treasurer's Office returned \$6.5 million in unclaimed property during fiscal 2005 — triple the amount in previous years.

State Treasurer Jeb Spaulding said Tuesday his office paid out 7,800 unclaimed property claims totaling \$6.5 million during the fiscal year that ended June 30. In the previous four years, annual claims averaged \$1.88 million paid out to 2,867 claimants a year.

Spaulding attributed the increase in claims to changes in the law that speeded up the process by which private holders of unclaimed property must transfer lost items to state custody. Last year, the amount of unclaimed funds that found its way to the Treasurer's Office jumped from an average of \$3.9 million to more than \$19 million.

Spaulding said one legislative change "dealt with the period of time between a company losing contact with a rightful owner and their requirement to turn it over to the state," which was reduced from five years to three years.

Of more significance, Spaulding said, is the process by which larger insurance companies converted from a mutual insurance company — where the assets are owned collectively by all the policyholders — to a stock company. Under the latter, the assets are distributed among all the individual policyholders.

"Many of those policyholders were paid up and hadn't had contact with the insurance company for many years," he said. "So we had a huge inflow from companies like MetLife, Prudential, Travelers and so that was the big piece."

Of the \$19 million in unclaimed property that came into the state's custody during the last fiscal year, Spaulding said \$12 million to \$13 million was attributed to unclaimed insurance policies. The rest of the returned unclaimed property included stocks, tax refunds, bank certificates and paychecks.

Despite the success in reuniting unclaimed financial assets with their rightful owners, Spaulding said \$40 million in unclaimed property remains in state custody.

Spaulding said the sooner the state can begin the process of matching unclaimed property with the rightful owner or heir, the greater the likelihood of success.

A big help in that process has been the Internet.

"Vermont, like most other states, has done a lot to update our Web site," he said. "Anybody can go on and type in a name — their name or their cousin's name or their friend's name — and find out if they have any unclaimed property," Spaulding said.

In the past 10 months, the treasurer's unclaimed property Web site (www.vermonttreasurer.gov) has received 244,000 hits.

Spaulding's office also advertises unclaimed property in the state's newspapers, provides printouts to town clerks and lawmakers, and uses public service announcements on the state's radio and television stations.

To avoid leaving assets behind, Spaulding offered this advice.

"The thing that people can do to avoid this situation is to make sure they keep track of all their financial property and respond when they get letters in the mail," he said.

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