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SULLE ASSICURAZIONI



Dormant life assurance policies “Awakened” dormant policies

January 2024



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Dormant life assurance policies **“Awakened” dormant policies**

January 2024

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1. Foreword

“Dormant” life assurance policies are policies that, although they have accrued a right to payment of the insured capital, have not been paid to beneficiaries for various reasons, and lie dormant at insurance undertakings. These may be either policies on the death of the insured, of which beneficiaries were not aware, or so-called “savings” policies which, upon maturity, were not collected by those entitled.

The rights arising from life policies are time-barred after 10 years from the event (death of the insured or contract maturity); after that deadline the sums not collected by the beneficiaries must be assigned to the Dormant Accounts Fund set up within CONSAP.

Since 2017, IVASS has been carrying out intensive work to “wake up” these policies in order to facilitate the payment of the relevant sums to beneficiaries, thus avoiding that they become time-barred.

In particular, every year since 2017 IVASS, in collaboration with the Revenue Authority, has carried out cross-checks on policyholders’ tax codes against the Tax Register, which holds data on whether citizens are still alive, to detect cases of deaths of which insurance companies were not aware, and informed them so they could contact the beneficiaries and proceed with the payment of the policies.


IVASS has also monitored payment trends over time and, where necessary, requested companies to take action to improve and strengthen their internal processes and manage positions in a timely and systematic manner.

The Report provides updates on the payment status of dormant policies, based on the latest data reported by companies to IVASS in June 2023¹ and referring to the activity carried out in 2022 and in previous years.

The document ends with some recommendations for companies and suggestions for consumers that can help reduce the phenomenon of dormant policies.

As of this year, IVASS will no longer carry out the cross-checking of tax codes, as the National Database of Residents (ANPR) has been completed and the

1 IVASS Letter to the market of 16 March 2023 https://www.ivass.it/consumatori/azioni-tutela/lettere-mercato/documenti/2023/Lettera_al_mercato_del_16_marzo_2023_completa.pdf.



legislation² stipulates that insurance companies, in order to check if life insurance policyholders have died and make payment to the beneficiaries, shall access the ANPR free of charge, through the National Data Digital Platform (PDND), and shall compulsorily consult it at least once a year.

IVASS is working with the Digital Transition Department of the Presidency of the Council to facilitate the proper use by companies of the National Digital Data Platform (PDND).

2 Article 3, paragraph 1-quinquies of Presidential Decree No. 116 of 22 June 2007 on deposits and dormant policies as amended by Decree Law No. 119 of 23/10/2018.

2. Update on the checks conducted in 2022 on the death or survival of the insured

In 2022, IVASS – in collaboration with the Revenue Authority – offered Italian and foreign companies the cross-check service on the tax codes of holders of life and accident policies (portfolio in force as of 30 November 2022), in the latter case limited to those contracts providing benefits in the event of death resulting from an accident.

With the 2022 cross-check of tax codes, checks have been made on about **30 million** insureds to verify whether they were still alive. Of these, about 24 million insureds related to Italian companies and about 6 million to foreign companies.

79,315 deaths have been ascertained (65,144 relating to Italian companies and 14,171 to foreign companies) with which **104,974 policies** worth more than **5.6 billion euros** are associated; to these are added **82,410 mixed policies that have reached maturity** worth **1.2 billion euros**, for which the insured was **found to be alive** and did not collect the amounts, thus totaling 187,384 policies.³

As of June 2023, there were **110,061** policies for which undertakings had ascertained the beneficiaries' entitlement to payment (about 59% of the total policies associated with deceased policyholders and mixed policies that had reached maturity), **worth more than 5 billion euros**, of which about **4 billion euros had already been collected** by beneficiaries (see Tables 1 and 2 below).

For 23% of the policies associated with deceased insureds or mixed policies that had reached maturity, undertakings had ascertained that the conditions for payment to beneficiaries were not met because: (i) the insured was alive when the contract reached maturity, (ii) the insured died after the expiration of term life insurance policies, or (iii) the contract had been terminated due to the policyholder's interruption of premium payments.

The remaining 18% of the policies, worth about 1.2 billion, were "still to be checked".

Table 1 below summarizes the status of policies associated with deceased insureds and mixed policies that have reached maturity when the insured was still alive, for which the companies had ascertained entitlement to benefits, those still to be checked, and those that are not to be paid.

³ The results of the cross-checks were returned to 41 Italian companies and 49 foreign companies representing 92% of the foreign life market.

Table 1

Status of policies as resulting from the 2022 cross-check

	TOTAL	
	Numbers	Amounts in mln €
Policies associated to deceased insureds	104.974	5.672
Mixed policies that have reached	82.410	1.166
Total policies associated to insureds, of which:	187.384	6.837
- Policies for which entitlement to benefits has already been established	110.061	5.026
	58,7%	73,5%
- Policies still to be checked	33.661	1.216
	18,0%	17,8%
- Policies that are not to be paid.	43.690	594
	23,3%	8,7%

Table 2 shows the status of payments of those policies for which, on 30 June 2023, undertakings had established entitlement to benefits.

In summary, there are 43,564 dormant policies for 2022 worth just over 1 billion euros.

Table 2

Policies for which entitlement to benefits has been established – status of payments

	TOTAL	
	Numbers	Amounts in mln €
Policies for which entitlement to benefits has been established: of which	110.061	5.026
- already collected by beneficiaries	66.276	3.991
	60,2%	79,4%
- still to be paid	43.564	1.034
	39,6%	20,6%
- Dormant Accounts Fund	221	1
	0,2%	0,0%

3. Update on the status of payments of the policies checked in the previous years

For the earlier years, benefit entitlement was established in 75.9% of the cross-checks for 2021, in 77.7% for 2020, and in 63.8% for even earlier years.

Overall, for the above years, companies verified 88.4%, 91%, and 92.5% of policies, respectively.

84,403 policies, totaling 1.5 billion, still remain to be checked for the years prior to 2022.

From the cross-checks of the tax codes carried out between 2017 and 2021, it emerged that 15,687 policies, totaling 109 million euros, are still "suspended". In fact, for these policies, companies have established entitlement to the benefit, but they have not yet been paid because the search for beneficiaries or the requests for the documentation necessary for the payment of the benefit have proved to be unsuccessful. In the absence of further activities, these amounts should over time be transferred to the Dormant Accounts Fund.

The following table summarizes what has been highlighted:

Table 3

Cross-checks in previous years:

	Year 2021		Year 2020		Previous years		TOTAL	
	Numbers	Amounts in mln €	Numbers	Amounts in mln €	Numbers	Amounts in mln €	Numbers	Amounts in mln €
Policies for which entitlement to benefits has been ascertained	177.578 75.9%	10.428 92.9%	371.244 77.7%	12.101 91.5%	252.298 63.8%	14.977 92.0%	801.120 72.3%	37.507 92.1%
Policies that are not to be paid.	29.272 12.5%	254 2.3%	63.524 13.3%	451 3.4%	113.450 28.7%	910 5.6%	206.246 18.6%	1.615 4.0%
Policies suspended	1.142 0.5%	17 0.1%	4.621 1.0%	41 0.3%	9.924 2.5%	51 0.3%	15.687 1.4%	109 0.3%
Policies still to be checked	25.838 11.0%	526 4.7%	38.525 8.1%	633 4.8%	20.040 5.1%	347 2.1%	84.403 7.6%	1.506 3.7%
Total	233.830	11.226	477.914	13.226	395.712	16.284	1.107.456	40.737

As shown in Table 4 below, 96,7% of the policies for which entitlement to benefits has been established have already been collected, while around 20 thousand policies, worth 515 million, are still to be paid.

Table 4

Breakdown of the policies for which entitlement to benefits has been established

	Year 2021		Year 2020		Previous years		TOTAL	
	Numbers	Amounts in mln €	Numbers	Amounts in mln €	Numbers	Amounts in mln €	Numbers	Amounts in mln €
Policies for which entitlement to benefits has been established, of which:	177.578	10.428	371.244	12.101	252.298	14.977	801.120	37.507
- already collected by beneficiaries	170.154 95,8%	10.204 97,8%	360.052 97,0%	11.817 97,7%	244.567 96,9%	14.908 99,5%	774.773 96,7%	36.929 98,5%
- not collected by beneficiaries	421 0,2%	18 0,2%	539 0,1%	13 0,1%	122 0,0%	2 0,0%	1.082 0,1%	33 0,1%
- still to be paid	6.270 3,5%	202 1,9%	9.642 2,6%	265 2,2%	4.078 1,6%	48 0,3%	19.990 2,5%	515 1,4%
- Dormant Accounts Fund	733 0,4%	5 0,0%	1.011 0,3%	6 0,0%	3.531 1,4%	19 0,1%	5.275 0,7%	29 0,1%

4. Recommendations

IVASS expects that undertakings:

- a) consult the National Database of Residents (ANPR), as required by current legislation;
- b) improve flow exchanges with intermediaries and particularly with banking intermediaries for policies linked to loans, given that the banking institution is usually informed of the death of the insured within a very short period of time;
- c) simplify the settlement process by avoiding complex requests for documentation, particularly medical documentation, which is difficult for beneficiaries to obtain⁴.
- d) promote the designation of the beneficiary by name or the indication of a third-party contact person communicating with the beneficiary in case the policyholder has confidentiality needs.

Ivass suggests consumers to:

- e) take action, on their own initiative, to check whether a deceased family member had taken out a life insurance policy. You can use the "Search service for life covers" of ANIA (<http://www.ania.it/it/servizi/ricerca-copertura-vita.html>), or contact the insurance intermediary, the bank or the insurance undertaking the family member was a customer of (Download a [facsimile request](#)).
- f) if you are the beneficiary, check that the documentation required by the insurance company for settlement is the same as that envisaged in the policy conditions.

You can report to IVASS any request for documents, especially medical documentation, that you may not have. Link to information and procedures for filing complaints and facsimile <https://www.ivass.it/consumatori/reclami/index.html>

⁴ This also in line with the case law of the Court of Cassation, according to which "the request to produce a medical report on the death of the insured person places a significant economic burden on the beneficiary and, even more seriously, transfers to him/her the burden of providing evidence of the causes of death, a burden that by law he/she does not have [...]." The same case law has, moreover, made clear that "in life insurance, the beneficiary has the sole burden of proving the occurrence of the risk and, therefore, the death of the person on whose life the insurance was taken out."

It should also be noted that the Personal Data Protection Authority, in a recent Interpretative measure⁵, held that heirs and those called upon to inherit may request access to the personal data of beneficiaries of insurance policies taken out during the lifetime of a deceased person. The insurance company is then required to perform a “negative check,” which involves verifying that the request is not a mere pretext.⁶

5. Next steps

In addition to off-site activities to ensure the timely payment of amounts to beneficiaries in accordance with contractual commitments, IVASS has initiated targeted inspections on dormant policies to verify the management of settlement processes by companies.

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- 5 Interpretative measure on the exercise – by heirs and those called upon to inherit – of the right of access to personal data of deceased persons, with particular reference to those of beneficiaries of life insurance policies (Articles 15 of Regulation (EU) 2016/679 and 2-terdecies of the Personal Data Protection Code). Register of Measures No. 520 of October 26, 2023. (Published in the Official Journal – General Series No. 281 of December 1, 2023).
- 6 In this regard, the Interpretative measure specifies that *“The controller shall verify the existence of the following prerequisites:*
- 1) that the person exercising the right of access to the data of the deceased is the holder of a subjective substantive right in the succession, in his/her capacity as person called upon to inherit or heir;*
 - 2) that the interest pursued is real and current, i.e. existing at the time of access to the data, instrumental or prodromal to the defence of one's right of inheritance in court.”*







