



# **NCVHS: Hearing on the Next Generation of Health Statistics**

**The Importance of Timely & Accurate Data to support  
the Pension, Insurance, Financial & other industry segments**



# Who is PBI?

- PBI was the first company to introduce a solution to answer a simple question over 35 years ago... **How will you know when someone dies and benefit payments should stop?**
- PBI delivered the technology to provide this information back in the day when computers were the size of an office and the internet didn't exist!
- Our client base quickly expanded from pension plans to financial, insurance and other industry segments where there was a need to know about death
- PBI is a professional corporation dedicated to developing the services to meet and exceed the various regulatory requirements
- We are SOC certified and Data Security is our highest priority

# What type of clients need this information?

- **Pension Plans: Private and Government**
- **Third Party Administrators (TPAs) that are contracted to outsource defined benefit plans on behalf of the plan sponsor**
- **Insurance companies**
- **Life Insurance companies are mandated by States & Regulatory Agencies to use the SSA DMF to proactively identify deaths of policyholders so they can reunite beneficiaries with benefits**
- **Reverse Mortgage Service Providers – HUD mandates**
- **Lottery Winners that select life-time payments... who will call and say STOP?**

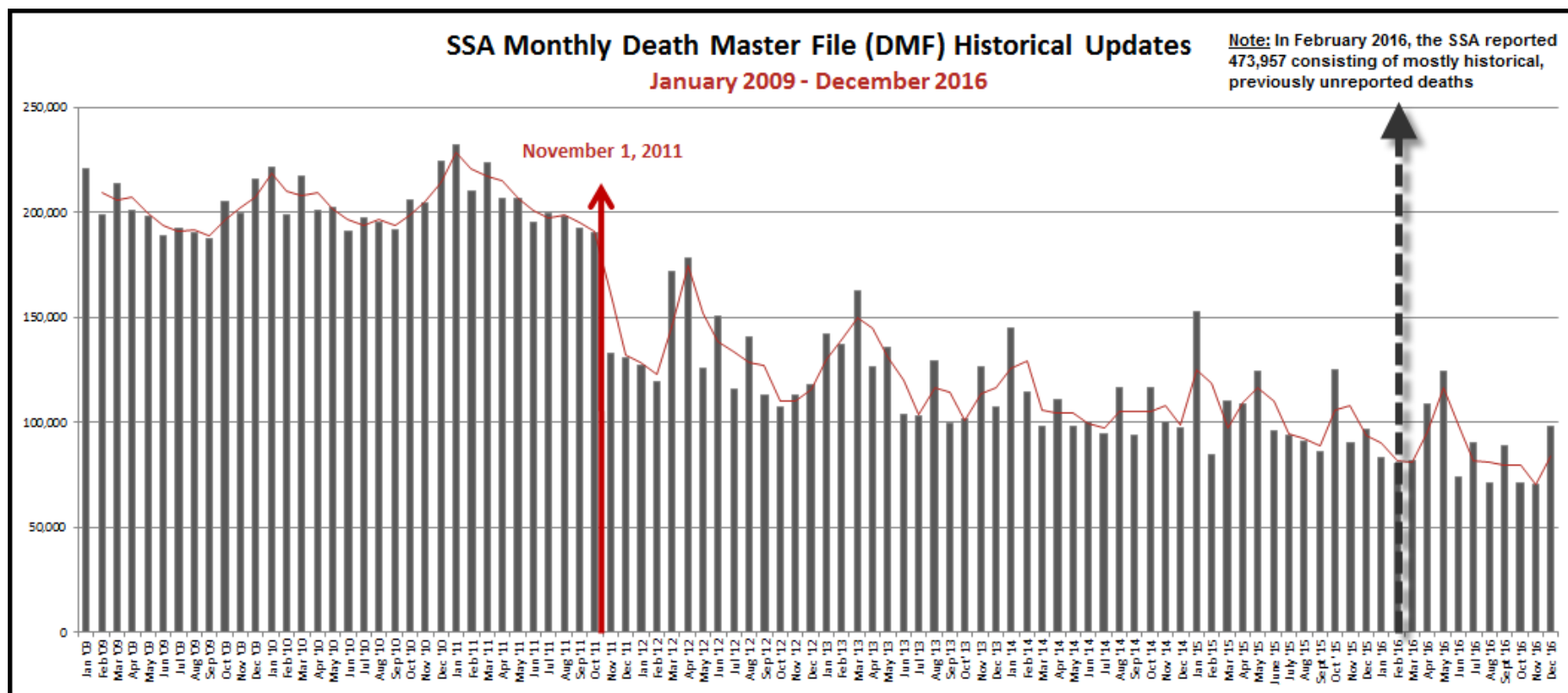
# **In 2011 the Process of Identifying Deaths became Extremely Challenging!**

- **In August of 2011 NTIS announced it would no longer include state reported death records in the DMF effective November 1st**
- **Why? There was a re-interpretation of Section 205(r) of the SSA Act eliminating state EDR records**
- **Ultimately this change has resulted in over a 50% reduction in the number of records included in the Public DMF**
- **Some states make there death data available to 3<sup>rd</sup> parties such as PBI: These include, CA, FL, MN, MT and MA to name a few....**
- **The majority of states are considered “closed-record” states and will not make their information available**
- **This has resulted in millions of dollars in pension over-payments!**

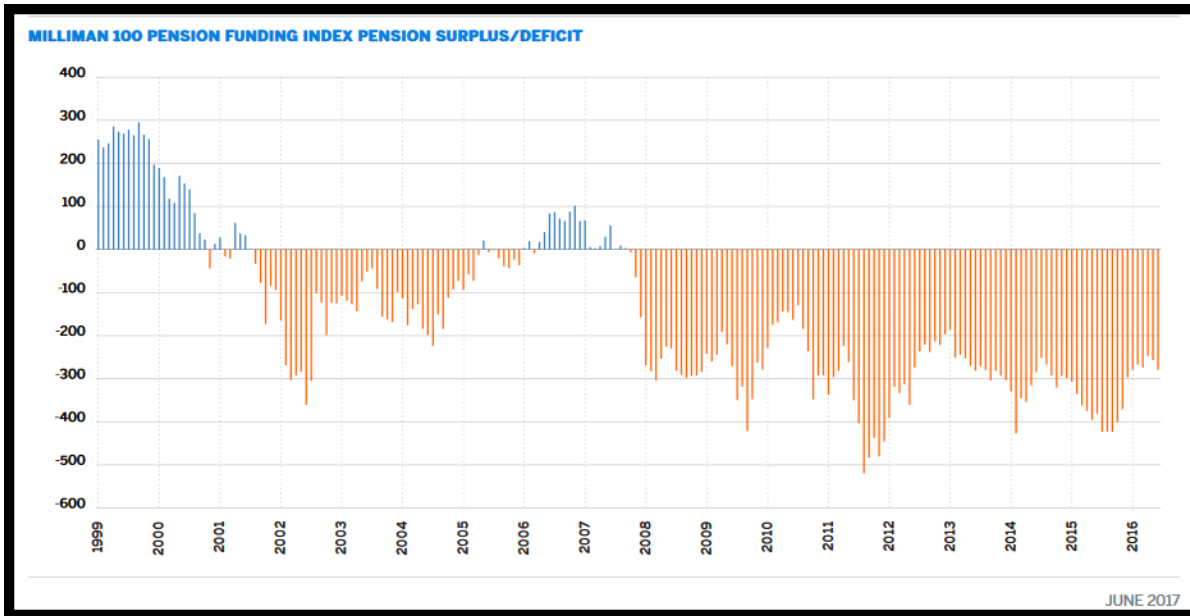
# How Big is the Problem?

As a result of the change made in November in 2011 there are over 50% fewer death records included in the SSA DMF!

The SSA DMF is the primary & most accurate source for death data!



# Pension Plans are Underfunded!



**The elimination of state reported death records has resulted in Millions of Dollars in Pension over-payments!**

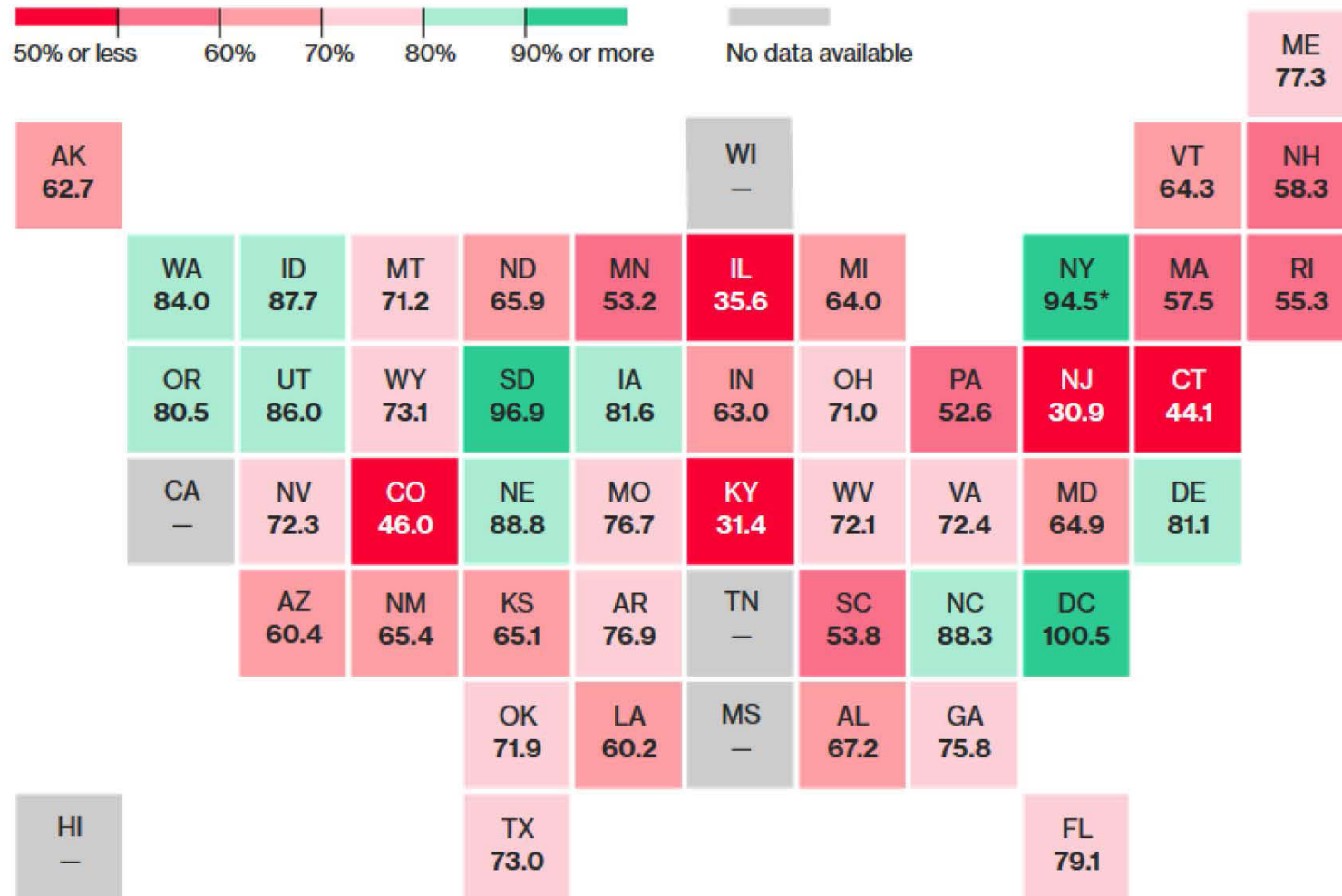
**In a perfect world plans would always be notified when a retiree passes away and payments should stop.....**

***The world is not perfect!!!***

- **The un-intended consequences of removing state records has been devastating**
- **Companies like PBI fill in the missing records with all of the states that will make death information available**
- **Unfortunately huge gaps exist and our efforts to restore the DMF to pre-Nov 2011 fell upon deaf ears!**
- **Our firm has resorted to obituaries to fill the gap!! This is not a perfect solution!!**

# Government Pension Plans are Underfunded

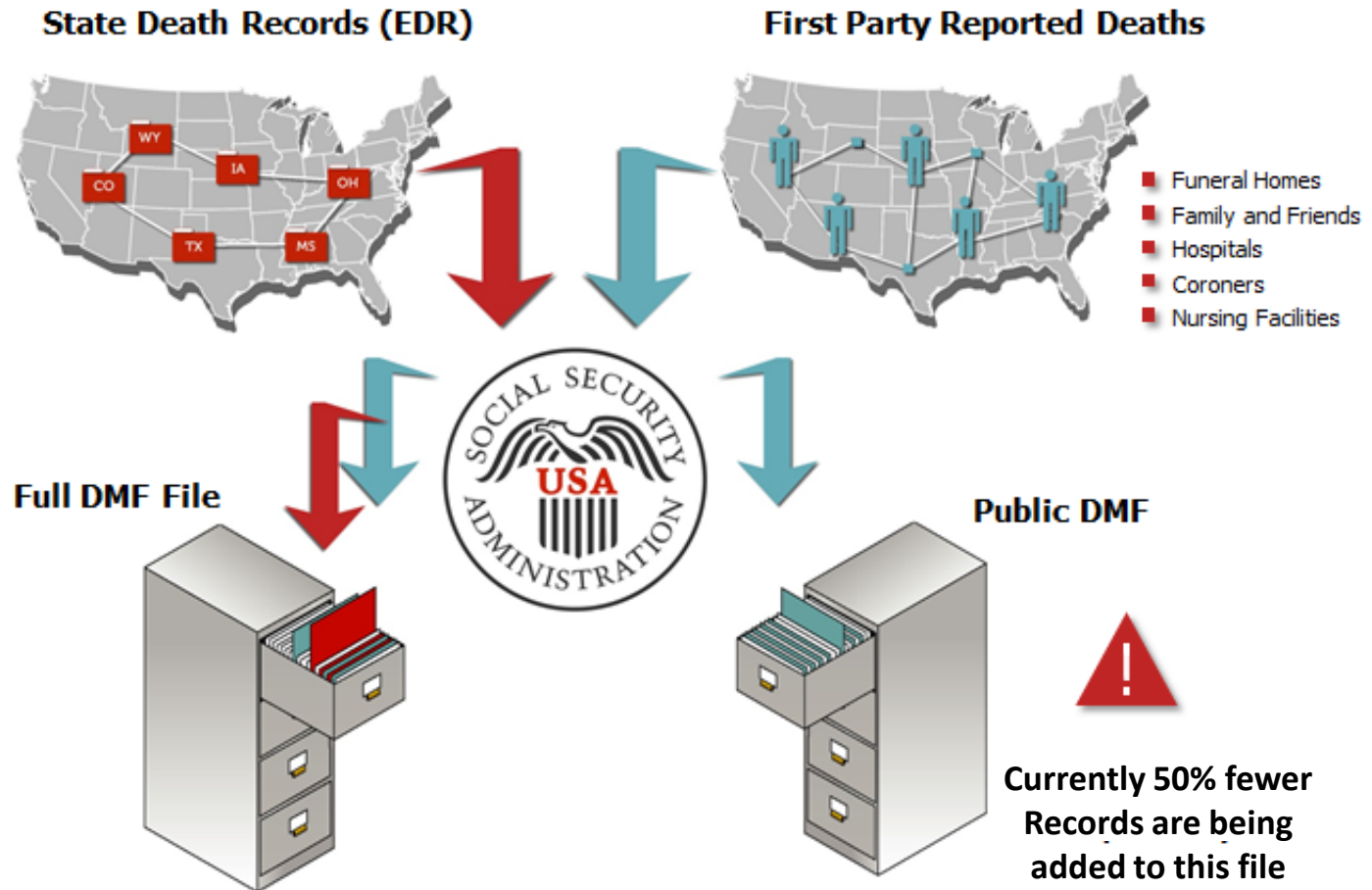
Public employee pension funding ratio by state, 2016 figures





# What's the Difference Between the Full DMF and Public DMF?

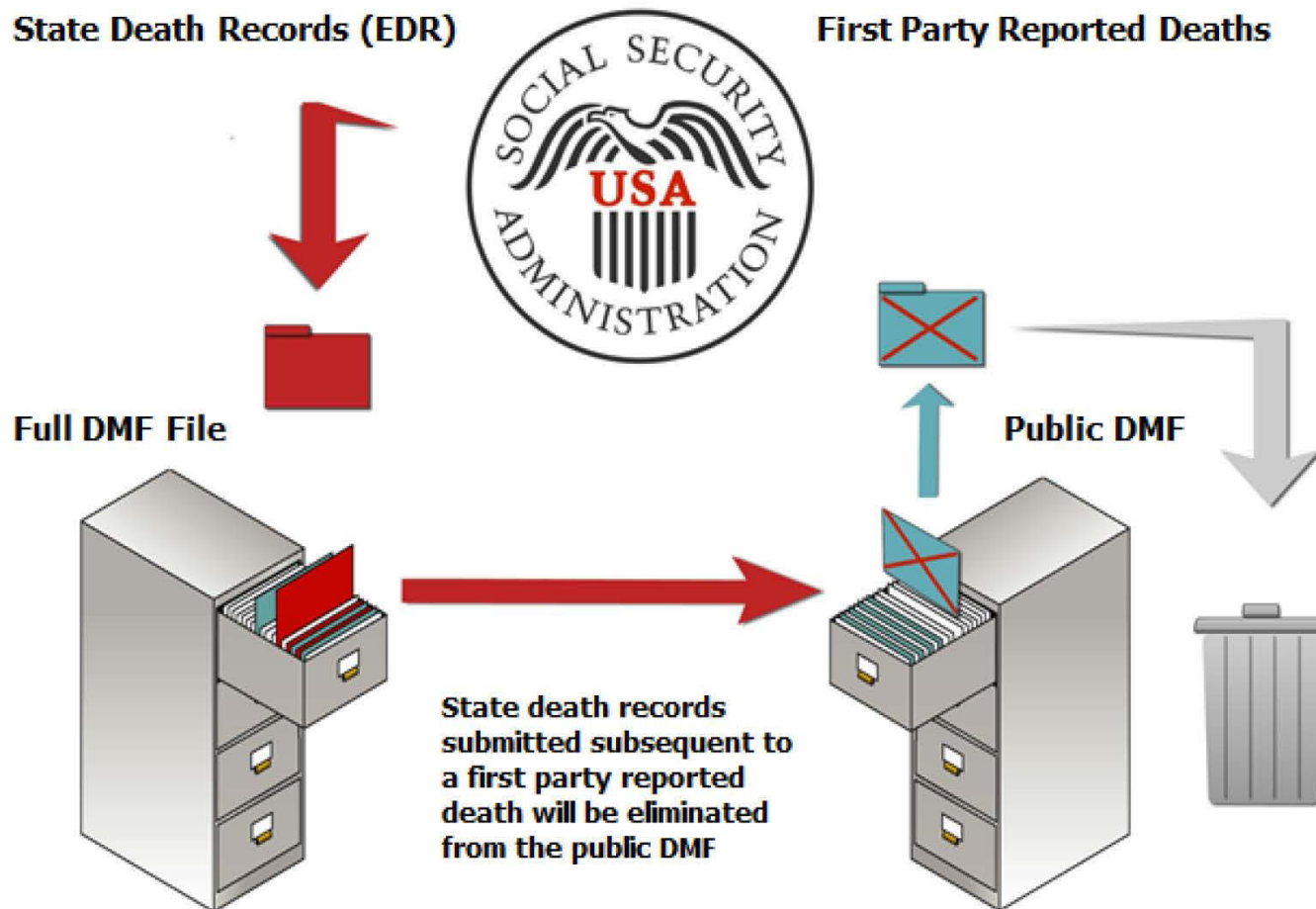
Prior to November 2011, PBI received all state EDR deaths in the SSA Public File



Since November 2011, PBI only receives deaths reported to the SSA by First Party sources



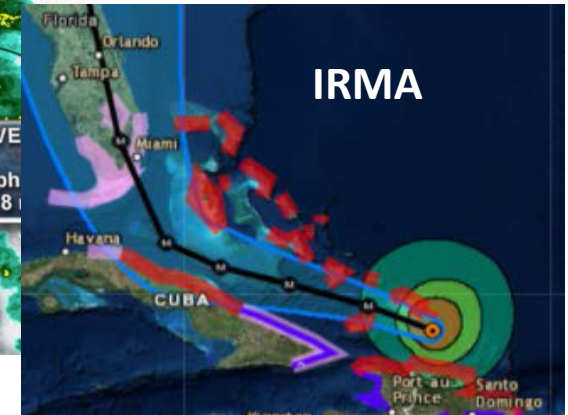
# To make matters worse...



**PBI believes this is a violation of the Freedom of Information Act (FOIA)...**

# A PERFECT STORM...

Whether  
Mother Nature  
or Man Made  
there are.....



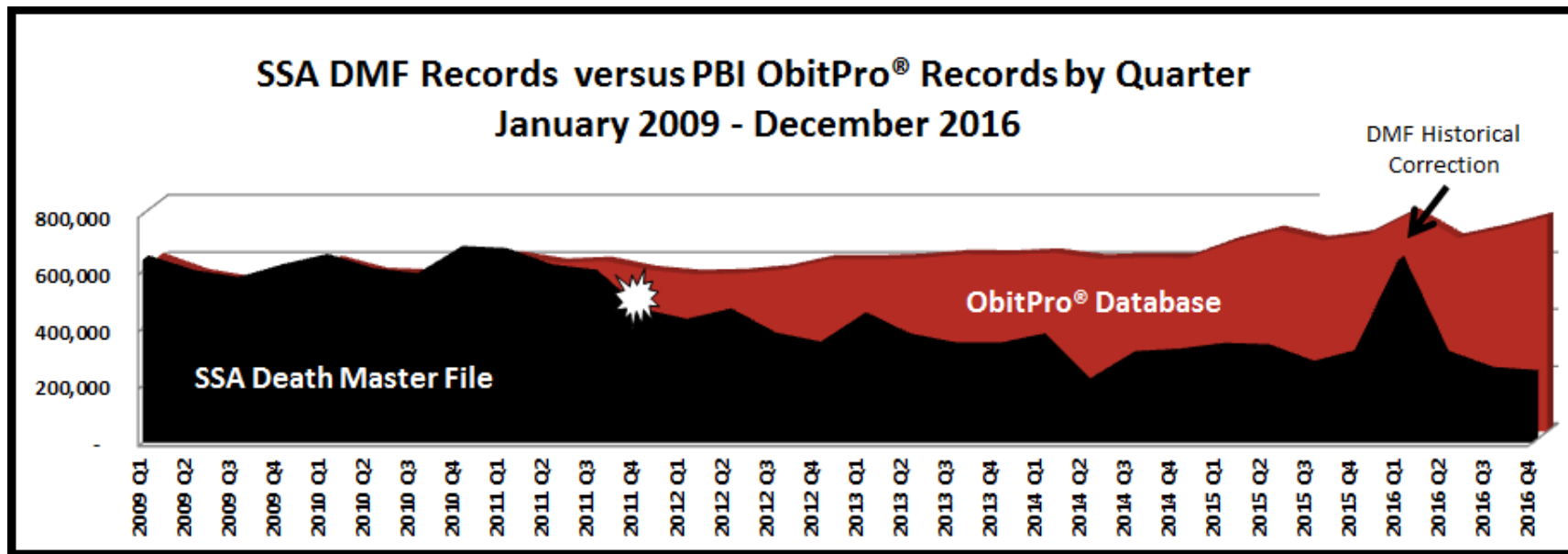
## *Unintended Consequences*

All legislation leads to consequences; either intended  
or unintended.... typically both

**The change to the DMF in 2011 has resulted in harm to  
American Citizens resulting in millions of \$ in overpayments**

## Out of Desperation PBI developed a Solution...

This graph illustrates how PBI's solution **"Fills the GAP"** of missing SSA Death Records



### PBI's Obit Pro® Database is the Most Comprehensive Obituary Database

- ✓ Contains Over 30 million Obituaries
- ✓ Updated weekly with over 52,000 new entries
- ✓ Contains 95% of all current published Obituaries in the US

# Summary

## **There are an enormous number of unintended consequences of restricting State EDR reported Deaths**

- **Making pension payments to those not entitled exacerbates the pension crisis**
- **Insurance companies must be able to identify deaths to remain viable and eliminate fraudulent payments**
- **It's in the best interest of beneficiaries of life policies to be identified so that proceeds can be delivered to those entitled**
- **PBI has filled the gap to the best of our abilities using obituaries**
- **The problem was never the DMF the problem that lead to fraud....**  
**It was who got access and for what purpose!**
- **The BBA of 2013 limits access to the Limited Access Death Master File (LADMF) to 3 years of the Date of Death**

**Thank you for the Opportunity to Share our Insights!**

