



Consumer Federation of America

1620 I Street, N.W., Suite 200 * Washington, DC 20006

July 2, 2008

The Honorable Sandy Praeger
Kansas Department of Insurance
420 SW 9th Street
Topeka, KS 66612-1678

Dear President Praeger,

It has come to our attention that AFLAC is routinely denying claims for accidental death in aircraft accidents. The frequency with which these denials have occurred raises serious questions about the fairness and validity of the insurance product involved.

I attach an eleven-year history of such claims filed with AFLAC. As you will note, of the 45 claims that were filed, only five received payment and two of those were paid as an exception -- the insurer claimed there was no coverage but paid something anyway. Of the claims that were paid, only two were paid for the higher common carrier benefit and three for the lower benefit for non common carrier accidents.

There can be no doubt that air crash deaths are usually accidental. The questions that the attached data raise are very serious ones. It is reasonable to ask whether the accidental death benefit for air crashes provided for under AFLAC's accidental death policies is illusory if the policies are written in an ambiguous way that allows AFLAC an unreasonable amount of discretion to deny claims that might otherwise be paid. If even a few of the denials are justified under the terms of these policies, shouldn't the policies be rewritten to pay more routinely for accidental air crash death when it occurs?

I request that the NAIC take a look at this provision in accident policies to determine why such a high percentage of estates receive nothing for accidental deaths that they have suffered. I have taken the liberty of sending a copy of this letter to the insurance commissioner in Georgia (AFLAC's home state) and in states where people lived or bought AFLAC policies that resulted in denial of aviation death claims.

Yours Very Truly,

J. Robert Hunter
Director of Insurance

Cc: Insurance commissioners of AL, AK, AR, CA, FL, GA, ID, KS, KY, LA, MT, NC, ND, NV, OH, OK, OR, SD, TX, UT, WI, WY, VA; NAIC National Office

Aviation Claims - 1996 through 2007 YTD

Policy #	Name	Date of Death	State of Residence	State of Issue	Date Rec	Death Benefit Amount Requested	Common Carrier Benefit	Other ACD Benefit	Claim Status	Date Completed	Pay/Deny Reason	Other Comments
A7728610		12/09/02	AK	AK	01/13/03	Not provided	\$ 100,000.00	\$ 25,000.00	DENIED	03/19/03	L&E Aviation Denial	None
A9014702		12/06/03	PR	PR	02/06/03	Not provided	\$ 50,000.00	\$ 12,000.00	DENIED	06/25/03	L&E Aviation Denial	None
P6609640		04/10/03	OR	OR	04/11/03	Not provided	\$ 100,000.00	\$ 25,000.00	DENIED	06/25/03	L&E Aviation Denial	None
A5687154		04/17/03	UT	UT	04/29/03	Query Not avail	\$ 50,000.00	\$ 12,000.00	DENIED	06/18/03	L&E Aviation Denial	None
A8012716		11/17/98	PW	PW	01/06/99	Not provided	\$ 50,000.00	\$ 10,000.00	INC	02/22/99	Insufficient Documents	None
P2497327		12/06/00	KY	KY	02/08/00	\$ 25,000.00	\$ 100,000.00	\$ 25,000.00	DENIED	02/09/01	L&E Aviation Denial	None
P0217098		08/12/97	AR	OK	08/19/97	Not provided	\$ 50,000.00	\$ 12,000.00	DENIED	01/12/98	L&E Aviation Denial	None
P0217098		08/12/97	AR	OK	08/19/97	Not provided	\$ 28,000.00	\$ 6,000.00	INC	01/12/98	Insufficient Documents	None
A4705423		08/16/99	OR	OR	05/11/99	Not provided	\$ 28,000.00	\$ 6,000.00	DENIED	06/16/99	L&E Aviation Denial	None
A5685614		04/27/98	WI	AK	06/15/98	Not provided	\$ 50,000.00	\$ 12,000.00	DENIED	12/16/98	L&E Aviation Denial	None
P0354869		03/02/98	ID	ID	03/02/98	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	DENIED	05/04/98	L&E Aviation Denial	None
P0354869		03/02/98	ID	ID	03/02/98	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	DENIED	05/04/98	L&E Aviation Denial	None
P0354869		03/02/98	ID	ID	03/02/98	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	DENIED	05/04/98	L&E Aviation Denial	None
P0354869		03/02/98	ID	ID	03/02/98	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	DENIED	05/04/98	L&E Aviation Denial	None
P0354869		03/02/98	ID	ID	03/02/98	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	DENIED	05/04/98	L&E Aviation Denial	None
P6583622		09/09/02	NV	NV	09/09/02	Not provided	\$ 100,000.00	\$ 25,000.00	DENIED	12/09/02	L&E Aviation Denial	None
B0533069		01/01/04	SD	SD	02/09/04	Not provided	\$ 15,000.00	\$ 7,500.00	DENIED	02/13/04	L&E Aviation Denial	None
P8126954		04/24/04	MS	MS	07/25/04	Not provided	\$ 50,000.00	\$ 10,000.00	PAID/\$10000	09/19/06	L&E Aviation Denial	Paid as expiration
P8126954		04/24/04	MS	MS	07/25/04	Not provided	\$ 100,000.00	\$ 25,000.00	PAID/\$25000	08/19/06	L&E Aviation Denial	Paid as expiration
A9552450		10/21/04	FL	FL	12/01/04	\$ 25,000.00	\$ 100,000.00	\$ 25,000.00	DENIED	12/16/04	L&E Aviation Denial	Passenger
A9487136		12/11/03	FL	FL	02/03/04	\$100000/\$25000	\$ 100,000.00	\$ 25,000.00	PAID/\$25000	05/03/04	Paid ACD per review	Com Carrier not paid
P0655696		06/24/04	LA	LA	07/29/04	Not provided	\$ 28,000.00	\$ 6,000.00	DENIED	08/24/04	L&E Aviation Denial	None
A9962277		08/02/03	OH	OH	03/29/04	Not provided	\$ 100,000.00	\$ 25,000.00	DENIED	04/16/04	L&E Aviation Denial	None
P5000451		06/23/04	FL	FL	10/13/04	Not provided	\$ 15,000.00	\$ 7,500.00	DENIED	12/06/04	L&E Aviation Denial	None
PA400678		11/21/04	ID	ID	01/13/05	\$ 40,000.00	\$ 150,000.00	\$ 40,000.00	DENIED	01/25/05	L&E Aviation Denial	None
A8148909		01/20/05	TX	TX	04/01/05	\$ 12,500.00	\$ 25,000.00	\$ 12,500.00	DENIED	04/08/05	L&E Aviation Denial	None
A8148909		01/20/05	TX	TX	04/01/05	\$ 40,000.00	\$ 150,000.00	\$ 40,000.00	DENIED	04/08/05	L&E Aviation Denial	None
A9084023		02/06/07	MT	MT	02/28/07	\$ 40,000.00	\$ 150,000.00	\$ 40,000.00	DENIED	03/19/07	L&E Aviation Denial	None

Aviation Claims - 1996 through 2007 YTD

Policy #	Name	Date of Death	State of Residence	State of Issue	Date Rec	Death Benefit Amount Requested	Common Carrier Benefit	Other ACD Benefit	Claim Status	Date Completed	Pay/Deny Reason	Other Comments
B1068380		02/06/07	MT	MT	03/11/07	\$150,000.00 Initially / \$40,000.00 secondary	\$ 150,000.00	\$ 40,000.00	DENIED	05/14/07	L&E Aviation Denial	Claim was initially denied on 4-2-07. Received rebuttal on 4-12-07. R&R stood on L&E aviation denial.
A0613490		05/11/07	OH	OH	06/27/07	Not provided	\$ 250,000.00	\$ 50,000.00	DENIED	08/03/07	L&E Aviation Denial	None
PB694954		03/14/06	LA	LA	04/21/06	Not provided	\$ 150,000.00	\$ 40,000.00	PAID	05/23/06	PAID \$40,000.00	Helicopter crash, paid as other accident and not as CC accident.
A1722443		08/08/05	FL	FL	01/31/07	Not provided	\$ 100,000.00	\$ 25,000.00	DENIED	02/27/07	L&E Aviation Denial	None
A4232000		08/03/98	CA	ND	11/04/98	Not provided	\$ 50,000.00	\$ 12,000.00	DENIED	11/05/98	L&E Aviation Denial	None
A6363656		01/12/00	CA	CA	01/13/00	\$ 25,000.00	\$ 100,000.00	\$ 25,000.00	DENIED	03/01/00	L&E Aviation Denial	None
P0281939		08/19/01	AL	AL	08/28/01	Not Provided	\$ 15,000.00	\$ 5,000.00	DENIED	10/23/01	L&E Aviation Denial	None
F0767783		11/23/00	IN	IN	12/13/00	Not Provided	\$ 100,000.00	\$ 25,000.00	DENIED	02/08/01	L&E Aviation Denial	None
A8174730		01/01/04	MT	MT	01/20/04	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	DENIED	02/13/04	L&E Aviation Denial	None
A8174730		01/01/04	MT	MT	02/05/04	\$ 25,000.00	\$ 100,000.00	\$ 25,000.00	DENIED	02/13/04	L&E Aviation Denial	None
A8357186		06/14/89	NC	NC	06/22/89	\$ 100,000.00	\$ 100,000.00	\$ 25,000.00	DENIED	08/16/99	L&E Aviation Denial	None
P2091833		05/17/02	WY	CO	08/19/02	\$ 25,000.00	\$ 100,000.00	\$ 25,000.00	DENIED	10/03/02	L&E Aviation Denial	None
P2B16936		04/07/01	KS	KS	04/12/01	Not provided	\$ 100,000.00	\$ 25,000.00	DENIED	05/15/01	L&E Aviation Denial	None
P2988451		08/18/02	VA	VA	10/03/02	Not provided	\$ 50,000.00	\$ 10,000.00	DENIED	10/21/07	L&E Aviation Denial	None
A9622935		08/22/03	FL	FL	09/12/03	Not provided	\$ 100,000.00	\$ 25,000.00	DENIED	01/06/04	L&E Aviation Denial	None
PC925759		03/21/07	OR	OR	04/18/07	Not provided	\$ 150,000.00	\$ 40,000.00	DENIED	04/23/07	L&E Aviation Denial	None
											Passenger on American Airlines Flight 77 which was hijacked and crashed into the	Paid \$100,000 to beneficiary