

Government of the District of Columbia
Department of Insurance, Securities and Banking



Thomas E. Hampton
Commissioner

BULLETIN
08-IB-05-9/4

TO: ALL INSURERS AUTHORIZED TO WRITE INSURANCE IN THE DISTRICT

FROM: THOMAS E. HAMPTON, COMMISSIONER

SUBJECT: CHILD SUPPORT INSURANCE MATCH PROGRAM

DATE: SEPTEMBER 4, 2008

The intent of this Bulletin is to inform insurers of an insurance match initiative available with the U.S. Department of Health and Human Services. The goal is to identify individuals who are delinquent in their child support payments before they receive any insurance proceeds. The Department encourages you to participate in this initiative and offers the following information to help you become familiar with this worthwhile program.

Overview – Child Support Enforcement

The Federal Office of Child Support Enforcement (“OCSE”) assists States in performing collection and enforcement services by working closely with other Federal agencies and the private sector including financial institutions and most recently, insurance companies. The goal of the Child Support Enforcement Program is to ensure that children receive financial and emotional support from both parents. Designed as a joint Federal, State and local partnership, the child support program involves 54 States, territories and tribes, each with its own unique laws and procedures. States administer the child support program while the U.S. Department of Health and Human Services provides funding and technical assistance to States through OCSE.

OCSE is seeking innovative leaders from the insurance industry to partner with them in a new initiative called the Insurance Match Program.

Legal Foundation – Insurance Matching

In 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act, more commonly known as welfare reform. States passed corresponding laws providing State Child Support Enforcement (“CSE”) agencies with the authority to issue administrative

subpoenas to collect financial or other information needed to establish, enforce or modify a child support order. (42 U.S.C. §§ 652(a)(11), 654(a)(9)(E) and 666(c)).

State CSE agencies can obtain access, subject to privacy safeguards, to government and private records, including information about assets held by financial institutions (including insurance companies), and records held by private entities with respect to individuals who owe child support (42 U.S.C. § 666(c)1D).

The OCSE Insurance Match Program

Section 7306 of the Deficit Reduction Act of 2005 amended Section 452 of the Social Security Act to authorize comparisons of information concerning individuals owing past-due child support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments as outlined in the legislative language below:

(1) COMPARISONS WITH INSURANCE INFORMATION.

- (1) IN GENERAL**, The Secretary, through the Federal Parent Locator Service, may—
 - (A) compare information concerning individuals owing past-due support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments; and
 - (B) furnish information resulting from the data matches to the State agencies responsible for collecting child support from the individuals.
- (2) LIABILITY** An insurer (including any agent of an insurer) shall not be liable under any Federal or State law to any person for any disclosure provided for under this subsection, or for any other action taken in good faith in accordance with this subsection.

To streamline the insurance match process and reduce the burden on insurers, OCSE designed, developed and implemented an efficient, cost effective and centralized Insurance Match Program and is providing insurance match data to State CSE agencies. Insurers (or their agents) may voluntarily participate in the OCSE Insurance Match Program using one of these methods:

- Send insurance claims data to OCSE for comparison with individuals delinquent in their child support obligations (claims that do not match will be discarded immediately); or
- Receive an electronic file from OCSE of individuals delinquent in their child support obligations for comparison with insurance claims, payments, settlements and awards, and return the matches to OCSE; or
- Authorize an agent (e.g., Insurance Service Office [ISO] or third party processor) to work with OCSE to conduct the data match on behalf of the insurer.

The Insurance Match Program is expected to make a significant difference in the lives of millions of children. As more insurers participate, the greater the impact the program will have.

To join the Insurance Match Program or obtain additional information, contact the Office of Child Support Enforcement at: insurancematch@acf.hhs.gov.