

VFW Wants Prudential's Records Made Public

Company not entitled to profit off deceased service members and veterans

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The Veterans of Foreign Wars of the U.S. filed papers last week to intervene in the ongoing class action lawsuits against Prudential Insurance Company of America concerning its handling of the life insurance benefits for service members and veterans. Prudential administers the Servicemembers' Group Life Insurance (SGLI) program for the Department of Veterans Affairs, and the 2010 suit alleges that Prudential failed to pay death benefits in a manner required by federal law, and instead profited from money belonging to the families of deceased service members and veterans.

"SGLI was created by Congress to provide special protection to military families. It was not created to enrich an insurance company that concocts a scheme to hold onto those families' money while purporting to provide them access to it," said VFW National Commander John E. Hamilton, a combat wounded Vietnam veteran.

Prudential has publicly stated that its actions were taken only in the interest of military families. Hamilton maintains that if that were true, Prudential should have no objection to the facts being made public.

"Prudential has actively tried to seal documents about its conduct from the public record, and has opposed efforts to unseal those records. That inconsistency strongly suggests that Prudential has not been forthcoming with Congress, the military or the American people," he said.

Prudential has denied wrongdoing, but most of the records filed in the case have been sealed from the public at Prudential's request. The VFW insists it is in the best interests of the families and the public to fully understand what Prudential has done in connection with its administration of federally subsidized life insurance programs for service members and veterans.

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The VFW's motion seeks to unseal the record filed with the Court in connection with the plaintiffs' efforts to obtain class certification, and records filed in connection with motions pending. Prudential argues that it cannot be required to return profits it made by using military family's death benefits unless each family proves it would have used the money to make more interest than what Prudential paid out. The VFW disagrees.

"If Prudential broke the law and made a profit, it should not be allowed to keep that profit," said Hamilton.