

**John Chiang**  
*California State Controller*  
**Notice to Holders of Unclaimed Property**  
**New Reporting Instructions for November 2007 Filing Period**  
**August 28, 2007**

The purpose of this notice is to provide reporting guidelines for the upcoming reports due before November 1, 2007, and before May 1, 2008, for life insurance companies.

The State Controller's Office (SCO) is currently prohibited by a federal court preliminary injunction from accepting, taking title to, or possession of any unclaimed property. This includes, but is not limited to, cash properties, securities, and safe deposit boxes. The SCO is working diligently to resolve the legal issues addressed by the federal court preliminary injunction and will update holders as new information becomes available.

In the meantime, reporting changes have been enacted through the passage of Senate Bill (SB) 86 and take effect immediately. Under the new legislation, the key reporting requirements are as follows:

- Holders are required to file a report **without remitting** property before November 1, 2007, or before May 1, 2008, for life insurance companies.
- The SCO is required to send a notice to all owners included on holder reports with a property value of \$50 or more within 165 days of the report due date. The notice will alert the owner that property in possession of the holder will be transferred to the State unless the owner contacts the holder regarding the property.
- Subject to the federal court's approval of the new reporting process, holders are required to file a report and remit property to the SCO between June 1 and June 15, 2008, or between December 1 and December 15, 2008, for life insurance companies. The federal court preliminary injunction currently prohibits the SCO from accepting the remittance or delivery of any unclaimed property. The SCO will update holders on the status of the preliminary injunction as soon as there is any change and will issue instructions for remitting unclaimed property at that time.

The SCO has implemented several outreach efforts to inform the holder community of current updates:

- An e-mail subscription service to notify holders of updates and law revisions that will affect reporting requirements is now available on our Web site. To receive automatic updates, you may [subscribe to our e-mail list](#).
- The [Reporting Guidelines for Fall 2007 Presentation](#) addresses holder responsibilities, identifies changes to the reporting process, and provides links to various publications and forms to assist in the Holder Report process.
- Holders can obtain updated reporting instructions, formats, and forms for Holders of Unclaimed Property on the SCO Web site.

As a result of the preliminary injunction and SB 86, there are special instructions for filing reports that are due from holders before November 1, 2007, or before May 1, 2008, for life insurance companies. Highlights of holder responsibilities and key changes are summarized below.

1. **Due Diligence** - A holder's responsibility to notify owners of their property six to twelve months before the property becomes reportable is still in effect (reference California Code of Civil Procedure (CCP) sections 1513.5, 1516(d) and 1520(b)). [Holder Due Diligence Sample Letter](#)
2. **Holder Report** - A report must be filed before November 1, 2007, or before May 1, 2008, for life insurance companies.
  - a) **Do not remit, deliver, or transfer title of any property to the SCO with the Holder Report. As stated above, SB 86 has changed the law so that there is no delivery or remittance of property with this report, and the SCO is currently prohibited from accepting the delivery, remittance, or title to any unclaimed property by the federal court preliminary injunction.**
  - b) **Holder Contact Information** – Under SB 86, the SCO will send a notice to all property owners with accounts valued at \$50 or more prior to the remittance, delivery or transfer of property to the SCO. In all report formats, the SCO will use the first holder contact information to contact the holder with questions regarding the report. The second contact information will be printed on the notices sent to property owners, allowing them to contact the holder regarding their accounts and giving them the opportunity to prevent the transfer of their accounts to the SCO. If the holder provides information for only one contact, the SCO will use the information for both purposes.
  - c) **Report Format** – The SCO has implemented the UPS 2000 reporting system. As a result, the SCO will accept the following formats for the upcoming reporting period:
    - [Standard NAUPA II](#) – (Recommended Format)
    - [CA NAUPA II](#) (2007 Report Year Only)
    - [CA Magnetic Media](#) (2007 Report Year Only)
      - [Diskette Reporting Program](#) (2007 Report Year Only)
    - [Paper](#) (If Reporting Fewer Than 50 Properties Only)

The SCO encourages holders to submit all reports in an electronic format. However, paper format will be accepted for reports that include fewer than 50 properties. The SCO will return to the holder to submit in an electronic format any reports submitted on paper that include 50 or more properties.

**Free software to comply with the SCO's recommended format (Standard Naupa II) is available through the [National Association of Unclaimed Property Administrator's \(NAUPA\) Web site](#).**

Holders are also encouraged to reference the [General Reporting Instructions for Holders of Unclaimed Property](#).

- d) **Owner Property Details** –Holder requirements to list all known owner and property information (as prescribed by the SCO) are still in effect. Holders are to provide information such as *owner name, Social Security number, last known address, property type, property amount, and date of last contact by the owner*.
- e) **Property Remittance** – The SCO is currently prohibited by a federal court preliminary injunction from accepting, taking title to, or possession of any unclaimed property. Until further notice, this preliminary injunction will prevent

the SCO from taking delivery of, remittance of, or title to any unclaimed property. Please continue to monitor the SCO Web site for the latest updates and instructions.

- f) **UFS-1 Form** – The form [UFS-1](#) is required with all unclaimed property reports, regardless of format used. A revised [UFS-1](#) has been developed and placed on the SCO Web site. Section C of the new form captures information for a second holder contact, which the SCO will print on notices sent to owners included on the holder report. The notice will allow owners to contact the holder regarding their accounts and give owners the opportunity to prevent the transfer of their accounts to the SCO. If this section is not completed, the SCO will print the holder's general contact information for the unclaimed property report on the notice to owners.
  - g) **SS-1 Form** – The SS-1 form used to summarize securities transferred to the SCO will not be required with this report because property is not being remitted, delivered or transferred to the SCO at this time.
3. **Property for Other States** – Holders with property for owners with a last known address in another state cannot report and remit that property to California because the federal preliminary injunction prohibits California from accepting any unclaimed property. Even if holders have reported and remitted such property to California in the past under reciprocity agreements, the holder must now report and remit directly to the other state. Please contact the appropriate state or review its Web site for reporting instructions and forms.

The SCO is committed to providing the holder community with current updates on the reporting remittance requirements as they become available. Please continue to check the SCO's Web site for further updates. If you have any questions regarding this notice, please call the Unclaimed Property Reporting Unit at (916) 464-6284 or email [ucpreporting@sco.ca.gov](mailto:ucpreporting@sco.ca.gov).