

GLOBAL INVESTIGATIONS AND COMPLIANCE

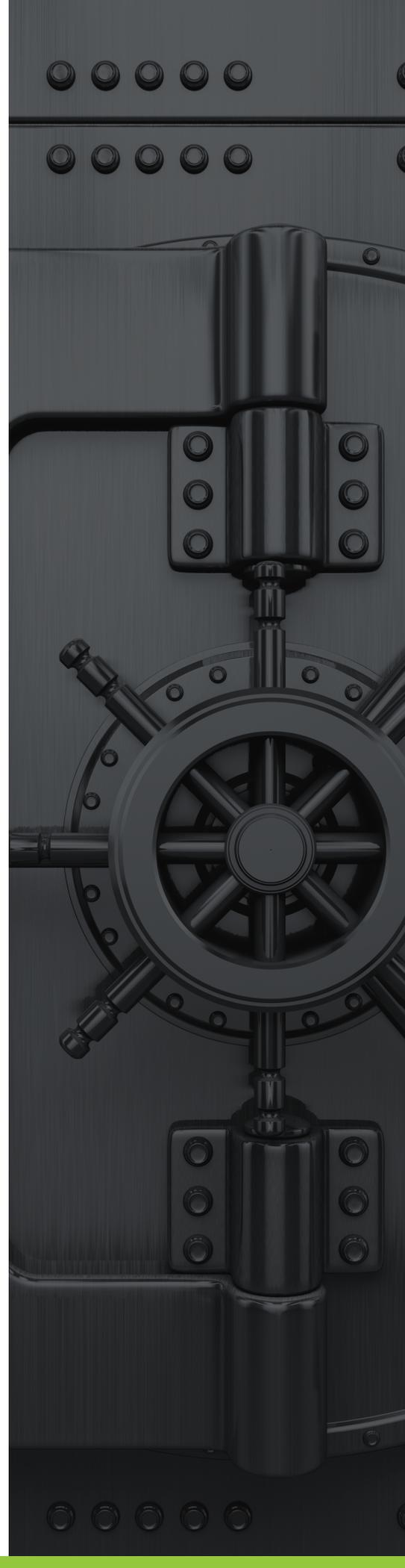
UNCLAIMED PROPERTY REGULATION

Jim Quelette: The landscape of unclaimed property regulation is complex and constantly changing. This poses major challenges for banks, insurance companies, broker dealers, asset managers, and other financial institutions. What's added to the complexity is new rules and new tools that have been introduced by third party audit firms. Some of those new tools include the death master file, so using a social security death master file to identify decedents and their heirs, something that's been introduced to those institutions that were not otherwise used previously.

Jim Quelette: Another issue is in late 2016 the National Technical Information Service, also known as NTIS. They instituted a new rule which requires all companies that want access to the social security death master file to put in security and controls to ensure that they meet the NTIS security requirements. They need to have a third party at the station firm attest to the controls that they have in place, in protecting the data within the death master file. In addition, in 2011 the social security death master file has become less reliable. In 2011, 4.2 million death records were removed from the death master file and on an ongoing basis the Social Security Administration reports one million fewer records on an annual basis.

Jim Quelette: Finally, it's become harder and harder to institutions to manage all of the aspects of unclaimed property compliance because it spreads across all of the separate business units that often operate as silos in managing all the administrative and sometimes disparate data across all of the businesses can add to the complexity of ensuring that your business is within compliance with all the unclaimed property regulations.

Jim Quelette: Some of the risks that financial institutions face for not having a systematic approach to unclaimed property, are the risks really range from noncompliance with federal and state regulations, on one hand, to the possibility of litigation due to premature achievement which really alienates the companies with their customers. Navigant is unique within the unclaimed property industry or market. We bring a unique perspective because we approach it as a management consulting approach. Where a lot of our competitors are either data aggregators or unclaimed property specialists, we have deep industry knowledge with insurance, banking, investment management firms, and we bring that mentality along with our deep understanding of unclaimed property regulations and needs. I would say that makes us unique within the competitive landscape.



navigant.com

About Navigant

Navigant Consulting, Inc. (NYSE: NCI) is a specialized, global professional services firm that helps clients take control of their future. Navigant's professionals apply deep industry knowledge, substantive technical expertise, and an enterprising approach to help clients build, manage, and/or protect their business interests. With a focus on markets and clients facing transformational change and significant regulatory or legal pressures, the firm primarily serves clients in the healthcare, energy, and financial services industries. Across a range of advisory, consulting, outsourcing, and technology/analytics services, Navigant's practitioners bring sharp insight that pinpoints opportunities and delivers powerful results. More information about Navigant can be found at navigant.com.

Jim Quelette: We offer a broad range of unclaimed property services. We have a proprietary death matching engine which incorporates not only social security death master file but multiple other data sources that go above and beyond the DMF requirement and also help insurance companies, banks, investment management firms, healthcare companies, to not only identify decedents but also helps them locate lost shareholders and also next of kin to help them retain more of their assets.

Jim Quelette: We can also provide a health check to our clients which can be a really quick project while we're able to identify the immediate needs and gaps in that company's achievement process and really help them determine where they are and help them get ready for an audit from a third party. Also, identify their overall exposure. Navigant really streamlines multiple processes that institutions need to do already but are often separate processes. We take a customer's raw data, standardize that data, we clean it and enhance it, we fill in any gaps there are in any of that data, and then we put it through our death matching process, if that's a requirement that company needs to adhere to.

Jim Quelette: We run it up against our national change of address database as well as other sources to identify updated contact information and location of those individuals. Then, we produce an output with cleansed data and identification of decedents as well as updated location information for all those customers. Because Navigant approaches the issue of unclaimed property compliance from a management consulting point of view as well as offering advanced technology, clients have the benefit of a holistic solution. We don't take a one size fits all approach but instead we custom tailor every engagement to each client's business, operations, and strategic goals.

Jim Quelette: We have the broad financial sector expertise to understand how the unclaimed property function fits into client's overall operation. For example, we consider whether the company has recently completed a merger and therefore has to deal with multiple systems and potentially disparate data across those systems. At the same time, we have built unparalleled resources such as a proprietary death record, database, and matching engine. Overall, we have the ability to help clients determine whether they have the right resources, including personnel, technology, and the right processes, to manage their business in full compliance with unclaimed property rules.

©2019 Navigant Consulting, Inc. All rights reserved. W115784

Navigant Consulting, Inc. ("Navigant") is not a certified public accounting or audit firm. Navigant does not provide audit, attest, or public accounting services. See navigant.com/about/legal for a complete listing of private investigator licenses.

This publication is provided by Navigant for informational purposes only and does not constitute consulting services or tax or legal advice. This publication may be used only as expressly permitted by license from Navigant and may not otherwise be reproduced, recorded, photocopied, distributed, displayed, modified, extracted, accessed, or used without the express written permission of Navigant.

 [linkedin.com/company/navigant](https://www.linkedin.com/company/navigant)

 twitter.com/navigant