

MEMO# 30990

December 21, 2017

Servicing and Protecting Shareholders Affected by Disaster White Paper

[30990]

December 21, 2017 TO: Chief Compliance Officer Committee

Operations Committee

Small Funds Committee

Transfer Agent Advisory Committee RE: Servicing and Protecting Shareholders Affected by Disaster White Paper

We are pleased to announce the publication of a new white paper, Servicing and Protecting Shareholders Affected by Disaster.

In 2017, a significant number of natural disasters, including major hurricanes and wildfires, affected many areas of the United States. Mutual fund shareholders were among the millions of people harmed by these disasters. Though such events often create challenges for shareholders in managing and accessing their accounts, they also create opportunities for scam artists and other criminals looking to take advantage of those in a vulnerable state.

The catastrophic events of 2017 led fund complexes to reevaluate their processes and procedures for servicing and protecting shareholders in a time of disaster.

An Investment Company Institute (ICI) industry working group developed this paper to outline high-level considerations and common protocols related to servicing and protecting shareholders affected by a disaster.

The paper covers the following topics:

- Service considerations – discusses the importance of providing customer-facing personnel with refresher training regarding fraud prevention well as developing policies and procedures to address various customer service-related scenarios (e.g., expedited transaction or temporary address change requests) that commonly occur following a disaster.
- Displaced Individuals: Abandoned Property/Escheatment Considerations – discusses steps funds could take to mitigate the high number of accounts that may become abandoned, inactive, or lost following a disaster.
- Fraud Prevention Considerations – discusses steps funds may consider to protect

shareholders affected by a disaster while still being responsive to their customer service needs.

- Shareholder Education Considerations – outlines potential educational tools and information funds may consider providing to their shareholders in an effort to reduce instances of fraud.

The white paper is available [here](#).

Questions or comments on the white paper may be directed to Joanne Kane at the ICI (joanne.kane@ici.org, 202-326-5850). We hope you find this paper to be a valuable tool to assist fund operations and transfer agent management evaluate their service plans and consider how best to assist and protect shareholders affected by a disaster.

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