

**781—16.7(12D) Program administrator rights and responsibilities.**

**16.7(1)** The program administrator reserves the right to:

- a.* Freeze an account or suspend account services or do both when a plan has received reasonable notice of a dispute regarding the assets in an account, including notice of a dispute in account ownership or when the plan reasonably believes a fraudulent transaction may occur or has occurred;
- b.* Freeze an account or suspend account services or do both upon the notification to the plan of the death of an account owner until the plan receives required documentation in good order and reasonably believes that it is lawful to transfer the account ownership to the successor account owner;
- c.* Redeem an account, without the account owner's permission, in cases of threatening conduct or suspicious, fraudulent, or illegal activity; and
- d.* Reject a contribution for any reason, including contributions that the plan believes are not in the best interests of the plan, a portfolio, or the account owners.

**16.7(2)** The risk of market loss, tax implications, penalties, and any other expenses, as a result of such an account freeze, account redemption, or contribution rejection, will be solely the account owner's responsibility.

**16.7(3)** The contractor will provide each account owner a fourth-quarter statement. In addition, the program administrator will provide each account owner that had an account with either contributions or withdrawals in the first, second, or third quarter with a quarterly statement for that account.

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