

781—9.4(556) Definitions. In addition to the terms defined in Iowa Code section 556.1, the following words or terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise:

“*Act*” means the uniform disposition of unclaimed property Act, Iowa Code chapter 556.

“*Aggregate property*” means individual items of intangible property with a value of less than \$50 each which have been aggregated by a holder and reported and delivered to the division in a lump sum.

“*Book shares*” means debt or equity securities which are maintained in book entry form only and for which no physical certificate was or is issued.

“*Claimant*” means a person or legal entity entitled to reclaim abandoned property in the possession of the division. A claimant may be an original owner, legal representative (other than a finder), or successor in interest.

“*Contract auditor*” means any person or entity engaged or hired by the treasurer or the division to provide unclaimed property examination services. “Contract auditor” includes agents, employees and any subcontractor engaged by a contract auditor or engaged by its subcontractors.

“*Credits, advance payments, overpayments, refunds, or credit memoranda*,” for purposes of Iowa Code section 556.1(12), means current accounts receivable of a business association that have not been reduced to a check or other form of payment. “Credits, advance payments, overpayments, refunds, or credit memoranda,” for purposes of Iowa Code section 556.1(12), shall not include uncashed checks or other unclaimed payments due and owing to a business association for its provision of goods or services, with respect to any other type of obligation.

“*Custodial property*” means property transferred to a custodian for a minor under the provisions of (1) the Iowa UTMA, (2) the Uniform Transfers to Minors Act, (3) the Uniform Gifts to Minors Act, or (4) a substantially similar Act of another state if, at the time of the transfer, the transferor, the minor, or the custodian is a resident of the designated state or the custodial property is located in the designated state.

“*Division*” means the unclaimed property division within the Iowa treasurer of state’s office that has the responsibility of administering the Act.

“*Dormancy fee*” means a service charge, dormancy charge, inactive account fee, escheat fee, minimum balance fee, maintenance fee, unclaimed property fee, or any other charge that results in the reduction of an account balance or property value and is not directly related to a transaction initiated by an owner.

“*Dormancy period*” means the statutorily specified span of time after which an owner’s failure to indicate an interest in property will result in the property’s being presumed abandoned and subject to reporting and delivery to the division.

“*Due diligence*” means the efforts required to be undertaken by a holder of unclaimed property to find the rightful owner of such property before the property is delivered to the division.

“*Electronic authentication*” means the use of an automated government or private sector database to confirm the identity of a claimant.

“*Funds for liquidation*” means unclaimed funds which are held by a holder on behalf of an owner of debt or equity securities and which are owing as a result of the liquidation of the securities issuer.

“*Gift card*” means an electronic gift card conspicuously designated as a gift card and generally purchased by a buyer for use by a person other than the buyer redeemable for goods or services from the issuing merchant or its affiliates.

“*Gift certificate*” means a merchandise certificate conspicuously designated as a gift certificate and generally purchased by a buyer for use by a person other than the buyer.

“*Indication of interest*” means an action by an owner with respect to the owner’s property which indicates that the owner is aware of the existence of the property and intends for the property not to be presumed abandoned. Examples of an owner’s indication of interest include, but are not limited to, the following: an owner-initiated deposit or withdrawal from an account; notification to a holder of a change of address specific to the account; an account balance or similar owner-initiated inquiry, including an account inquiry made electronically in which the owner has contemporaneously authenticated the owner’s identity; and any communication, such as written or electronic correspondence, telephone call or person-to-person conversation between an owner and a holder (or the agent of a holder), which can be documented and which reflects an owner’s awareness of the existence of the property. “Indication of interest” does not

include recurring Automated Clearing House (ACH) transfers, automated postings to accounts, computer system conversions, the non-return of mail, and other actions that are not owner-initiated or do not require a direct owner response.

“Intangible property” means such property as described in Iowa Code section 556.1(12) as well as any other fixed and certain interest or right in an intangible that is held by, issued to, or owing to a holder except as otherwise expressly exempted by law.

“Iowa uniform transfers to minors Act” or *“Iowa UTMA”* means Iowa Code chapter 565B.

“Last activity date” means the last verifiable date of owner-initiated activity or contact with the holder with respect to unclaimed property.

“Locator” means a person hired or engaged to assist in the recovery of unclaimed property reported into the Act.

“Matured bond principal” means unclaimed funds which are held by a holder for a bond holder pending the bond holder’s redemption of debt securities.

“Non-freely transferable security” means a security that cannot be delivered to the administrator by the Depository Trust Clearing Corporation or a similar custodian of securities providing post-trade clearing and settlement services to financial markets or cannot be delivered because there is no agent to effect transfer. *“Non-freely transferable security”* includes a worthless security.

“Retained asset account” means any mechanism whereby the settlement of proceeds payable under a life insurance policy is accomplished by deposit by the insurer, or an entity acting on behalf of the insurer, depositing the proceeds into an account with check- or draft-writing privileges, where those proceeds are retained by the insurer pursuant to a supplementary contract not involving annuity benefits.

“Tangible property” means the physical contents of a safe deposit box or other safekeeping repository, or physical items held as collateral by a banking organization, financial organization, or business association, that are reportable and deliverable to the division.

“Treasurer” means the treasurer of the state of Iowa.

“Undelivered shares” means unclaimed physically issued debt or equity securities which were returned to the issuer by the post office as undeliverable or which were otherwise never delivered into the possession of the owner.

“Underlying shares” means unclaimed physically issued debt or equity securities which are presumably in the possession of an owner.

“Unexchanged shares” means unclaimed debt or equity securities which are held by a holder on behalf of an owner, pending the owner’s surrender of obsolete debt or equity securities in conjunction with an acquisition, merger, recapitalization, or similar mandatory corporate action.

This rule is intended to implement Iowa Code section 556.1.

[ARC 2809C, IAB 11/9/16, effective 12/14/16; ARC 8844C, IAB 1/22/25, effective 2/26/25]