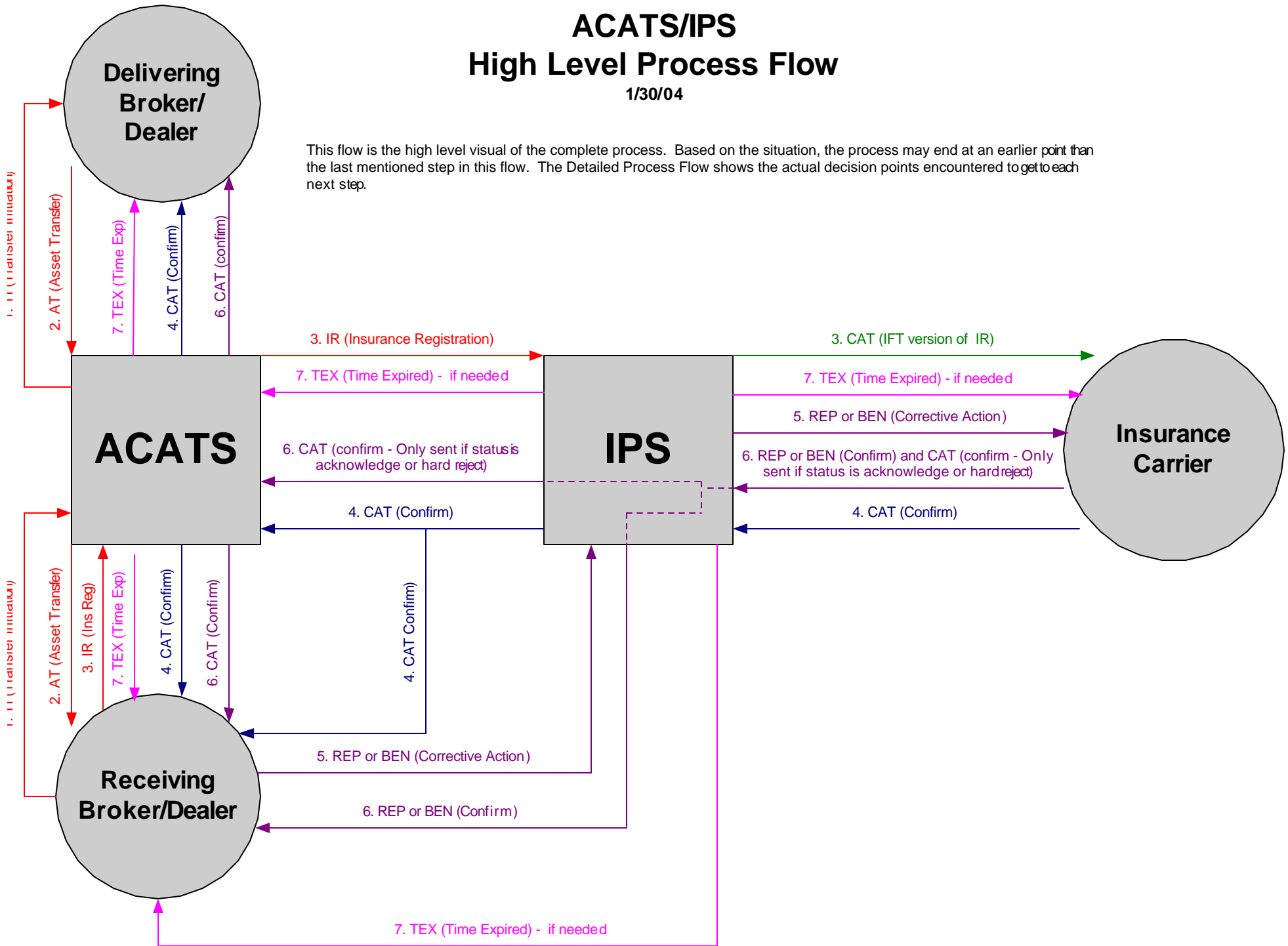


# ACATS/IPS

## High Level Process Flow

1/30/04

This flow is the high level visual of the complete process. Based on the situation, the process may end at an earlier point than the last mentioned step in this flow. The Detailed Process Flow shows the actual decision points encountered to get to each next step.



# ACATS/IPS High Level Process Flow Description

1/27/04

1. Receiving B/D sends Transfer Initiation record (TI) to Delivering B/D via ACATS.
2. Delivering B/D identifies annuity assets and informs Receiving Firm of those assets by sending Asset Transfer records (AT) back to the Receiving B/D via ACATS.
3. Receiving B/D decides to accept annuity asset(s) and provides the Insurance Carrier with Insurance Registration information by sending IR record(s) to ACATS. ACATS will send IR to IPS, which will convert it into an Inforce Transaction (IFT) format transaction with a transaction type of CAT (Customer Account Transfer) and send it to the Insurance Carrier.
4. The Carrier will confirm the transaction by sending a CAT back to IPS with a status of Acknowledged (processed), Hard Reject (no correction action can be taken), or Soft Reject (corrective action may be taken). IPS will send a subset of the CAT transaction (contains minimal status information) to ACATS, which will then send a status report to the ACATS department of the Receiving and Delivering B/D's. IPS will also send the full CAT to the Receiving B/D (insurance department) directly which contains additional detail on the transaction.
5. If a soft reject is confirmed (ex - rep not appointed or need additional beneficiary information), the Receiving B/D can send a REP (Registered Representative Information) transaction to correct or provide more information on the Reps or can send a BEN (Beneficiary Information) to provide more information on the beneficiaries.
6. If the B/D sends a REP or BEN, the Carrier will respond with a REP or BEN indicating the status of the those transactions individually. In addition to the separate REP and/or BEN confirmation, the Carrier will send another CAT, provided that the transaction has been either acknowledged fully or hard rejected. IPS will again send a subset of the CAT transaction to ACATS and the full transaction to the Receiving B/D directly. The second CAT will not be sent if the REP and/or BEN transaction has another soft reject status.
7. From the time the Carrier receives the initial CAT, a 20 business day period begins in which a transaction can be completed. IPS will keep the clock and if time expires will send a TEX (time expired) transaction to ACATS, the Receiving B/D directly and the Insurance Carrier indicating that the life cycle of this transaction has expired and no additional actions may be taken via the ACATS/IPS system.