

Standard Usage for Commission Schedule Identifier & POV Contract Level Linking

This document outlines the standard usage for Commission Schedule Identifier where the carrier is reporting Product CUSIP schedule information only. It is expected the Commission Schedule Identifier is not used when reporting Policy commission schedules.

Scenario 1: *(Standard to Standard)*

Carrier supports the reporting of Product CUSIP standard commission schedule. Carrier will leverage the usage of the Commission Schedule Identifier (item #3866) on Positions and Valuations' (POV) 13/01 Contract Record to properly link the Commission Schedule reported on the Commission Schedule Transmittal (CST) file to the contract number being reported on the POV file. This scenario supports a BD change where the standard commission schedule is the same with the new distributor.

Business Steps	Carrier	Distributor
New Product is Launched	Carrier creates FET and CST for Product CUSIP 123456789 standard commission schedule and Commission Schedule ID 999888.	
New Business Application		Distributor submits new business application (APP) for Product CUSIP 123456789 and creates disclosure based on FET (PPfA) and CST.

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	Carrier receives application (APP) and issues contract number ABC12345	
Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 999888.	Distributor receives POV for contract ABC1234 and based on Commission Schedule ID 999888 can determine commission option details based on CST.
Broker Dealer Change	Carrier receives BD Change for contract ABC1234	
Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 999988 to new distributor.*	New distributor receives POV for contract ABC1234 and based on Commission Schedule ID 9999888 can determine commission option details based on CST.
Subsequent Premium		Distributor submits sub pay for contract ABC 1234 and creates disclosure based on POV and CST Commission Schedule ID 9999888.
	Carrier receives sub pay for contract ABC1234	

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Option 2: *(Custom to Custom)*

Carrier supports the reporting of Product CUSIP custom commission schedule to the specific distributor. Carrier will leverage the usage of the Commission Schedule Identifier (item #3866) on Positions and Valuations' (POV) 13/01 Contract Record to properly link the schedule reported on the CST file to the contract number being reported on the POV file. This scenario supports a BD change where the custom commission schedule is the different with the new distributor.

Business Steps	Carrier	Distributor
New Product is Launched	Carrier creates FET and CST for Product CUSIP 123456789 and custom Commission Schedule ID 222333.	
	Carrier creates CST for Product CUSIP 123456789 and custom Commission Schedule ID 444555.	

New Business Application		Distributor submits new business (APP) for Product CUSIP 123456789 and creates disclosure based on FET (PPfA) and CST.
	Carrier receives application (APP) and issues contract number ABC12345	

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Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 222333.	
Broker Dealer Change	Carrier receives BD Change for contract ABC1234	
Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 444555 to new BD.	
Subsequent Premium		Distributor submits sub pay for contract ABC 1234 and creates disclosure based on POV and CST.
	Carrier receives sub pay for contract ABC1234	

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Scenario 3: *(Standard to Custom)*

Carrier supports the reporting of Product CUSIP standard commission schedule.. Carrier will leverage the usage of the Commission Schedule Identifier (item #3866) on Positions and Valuations' (POV) 13/01 Contract Record to properly link the schedule reported on the CST file to the contract number being reported on the POV file. This scenario supports a BD change where the contract moves to the custom commission schedule of the new distributor.

Business Steps	Carrier	Distributor
New Product is Launched	Carrier creates FET and CST for Product CUSIP 123456789 standard schedule and Commission Schedule ID 999888.	
	Carrier creates CST for Product CUSIP 123456789 custom schedule and Commission Schedule ID 111222. This is sent specifically to contra firm.	
New Business Application		Distributor submits new business application (APP) for Product CUSIP 123456789 and creates disclosure based on FET (PPfA) and CST.
	Carrier receives application (APP) and issues contract number ABC12345	

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Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 999888.	Distributor receives POV for contract ABC1234 and based on Commission Schedule ID 999888 can determine commission option details based on CST.
Broker Dealer Change	Carrier receives BD Change for contract ABC1234	
Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 111222 to new distributor.*	New distributor receives POV for contract ABC1234 and based on Commission Schedule ID 111222 can determine commission option details based on CST.
Subsequent Premium		Distributor submits sub pay for contract ABC 1234 and creates disclosure based on POV and CST Commission Schedule ID 111222.
	Carrier receives sub pay for contract ABC1234	

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Scenario 4: *(Custom to Standard)*

Carrier supports the reporting of Product CUSIP custom commission schedule. Carrier will leverage the usage of the Commission Schedule Identifier (item #3866) on Positions and Valuations' (POV) 13/01 Contract Record to properly link the Commission Schedule reported on the Commission Schedule Transmittal (CST) file to the contract number being reported on the POV file. This scenario supports when the commission schedule on the contract is moved to the new distributor's standard commission schedule for that product.

Business Steps	Carrier	Distributor
New Product is Launched	Carrier creates FET and CST for Product CUSIP 123456789 standard schedule and Commission Schedule ID 999888.	
	Carrier creates CST for Product CUSIP 123456789 custom schedule and Commission Schedule ID 444555. This is sent specifically to contra firm.	
New Business Application		Distributor submits new business application (APP) for Product CUSIP 123456789 and creates disclosure based on FET (PPfA) and CST.
	Carrier receives application (APP) and issues contract number ABC12345	

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Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 444555.	
Broker Dealer Change	Carrier receives BD Change for contract ABC1234	
Positions and Valuations (POV)	Carrier submits POV for contract ABC1234 with Commission Schedule ID 999888 to new distributor.	
Subsequent Premium		Distributor submits sub pay for contract ABC 1234 and creates disclosure based on POV and CST Commission Schedule ID 999888.
	Carrier receives sub pay for contract ABC1234	