

Associated Carrier Firm Id Standard Usage

The following usage statements are intended to help clarify under what conditions a participant should use the Associated Carrier Firm ID. The Associated Carrier Firm Id was created to help segregate data at the header level when necessary.

Associated Carrier ID was not created to replace the use of separate member participant numbers.

If a Carrier has several legal entities, for example different company names, and segregation of this data is needed by the Carrier, the Carrier should continue to use or create different Participant numbers to differentiate the entity. Associated Carrier Id is not intended to be used in lieu of different participant numbers.

Acceptable Usage of Associated Carrier ID

Associated Carrier Id can be used when one or both of the following situations occur:

- A Carrier has 2 (or more) sets of data that is physically being created in 2 different locations and/or
- A Carrier has 2 (or more) sets of data that is processed and available for transmission at different times and one time is significantly lagging the other.

In either case, it would be acceptable for the Carrier and Broker Dealer to both agree to have the Carrier create and send 2 separate data files using the same Participant # and a different and unique Associated Carrier Firm Id to uniquely identify the 2 different files.

Examples of Accepted Usage not using Associated Carrier Firm Id

1. Carriers Using Different DTCC Participant Numbers to segregate business/entities

Carrier Name A - Part #1111 - Annuities Division located in Boston, normal Annuity PFF - 6am output cycle

Carrier Name B owned by Carrier A - Part #2222 - Annuities Division located in Chicago, normal Annuity PFF - 6am output cycle

Annuities from Boston - Carrier A - Part #1111 - Associated Carrier Firm is blank

Annuities from Chicago- Carrier B - Part #2222 - Associated Carrier Firm is blank

2. Carrier Using One Participant Number for all its entities because all entities process together and all share the same Name, Settlement, Licensing Company, etc.

Carrier Name A and all its Entities - Part #1111 - Annuities and Life Division located in Boston, normal Annuity PVF - 6am output cycle includes all data from different entities. – Associated Carrier Firm is blank

Example of Accepted Usage using Associated Carrier Firm Id

3. Carrier's Annuity Division and Life Division process from different Locations at different times of the day. They will share the same Part #1111 but will use different and unique Associated Carrier Firm ID's.

Carrier A (Part #1111 - Annuities Division located in Boston, normal Annuity PFF - 6am output cycle

Carrier A (Part #1111 - Life Division located in Los Angeles, normal Life Position File - 3pm output cycle

It would be acceptable for Carrier A to work out with its Broker Dealers they would send 2 sets of Position Data

Annuities from Boston - Carrier A - Part #1111 - Associated Carrier Firm - AAAA

Life from Los Angeles - Carrier A - Part #1111 - Associated Carrier Firm – LLLL

Examples of Incorrect Usage

1. Broker Dealer wants the Carrier to segregate different types of data using the Associated Carrier Firm ID so that the Broker Dealer does not need to segregate data once it is received on their end.

Carrier A (Part #1111 - Annuities Division located in Boston, normal Annuity PFF, 6am output cycle Broker Dealer requests that Carrier break up their file into 2 pieces to segregate the different types of business VA and Fixed.

- Broker Dealer requests that Carrier use Associated Carrier Id AAVA for the VA Business File and Associated Carrier Id AAFX for the Fixed Business File

The Broker Dealer or Carrier should not be using Associated Carrier Firm to segregate types of business to facilitate processing.

2. Carrier decides to consolidate all its separate entities into one Participant Number and use the Associated Carrier Firm ID to drive the display and usage of different entities names.

Current Setup

- Carrier Name A (Part #1111-Annuities Div located in Boston, normal Annuity PFF - 6am output cycle)
- Carrier Name B (Part #2222-Annuities Div located in Chicago, normal Annuity PFF - 6am output cycle)
- Carrier Name C (Part #3333-Annuities Division located in LA, normal Annuity PFF - 6am output cycle)
- Carrier Name A owns Carrier B and C

New Setup

- Carrier Name A (Part #1111-Annuities Div located in Boston, Associated Carrier Firm- AAAA)
- Carrier Name B (Part #1111-Annuities Div located in Chicago, Associated Carrier Firm- BBBB)
- Carrier Name C (Part #1111-Annuities Div located in LA, Associated Carrier Firm- CCCC)

Carrier A decides to start using Associated Carrier Firm ID to separate all their entities. To do this they roll all their entities under one Participant Number 1111 and use the Associated Carrier Firm ID to differentiate their Carrier entities.

Additional Notes concerning Associated Carrier Firm ID Usage for POV, FAR, COM

Although the Associated Carrier Firm ID can be used in Commissions and FAR, the primary reason for the usage of the Associated Carrier Firm ID is for POV.

COM and FAR files

Carriers could generally send multiple COM and FAR files in the same day to a Broker Dealer, using the same Participant Number and Associated Carrier Firm ID's. Since COM and FAR is transaction data, it is normal for multiple files to be sent each day. One COM or FAR file does not normally replace another file sent earlier that day. They are used to "add on to" the total # of transactions for the day.

POV Files – Why are unique Participant #'s and unique Associated Carrier Firm Id's needed

Question: Why wouldn't it be OK for a Carrier to just send multiple POV files with the same Participant # and same Associated Carrier Firm ID from different locations at different times of the day. Ex – Life Location and Annuity Location both send same Participant # and same Associated Carrier Firm ID.

Answer: Most Broker/Dealers stop showing an Annuity Position on their Online Displays or Statements if the Annuity is not contained within the latest Annuity Positions File. If the specific Annuity Drops off the Positions file, then generally the Broker/Dealer will stop showing the Annuity. Some Broker/Dealers may wait a few days to stop showing an annuity. However, they all eventually drop the Annuity. If the Carrier sent a POV file at different points in the day, without identifying the segmentation via a different Participant Number or Associated Carrier Firm Id, the Broker/Dealer would not be able to accurately reconcile the position data, day against day, data group against data group, to determine what policies were actually dropped by the Carrier vs. what "files" may have not been sent that day because of a problem at the Carrier that day.