Meeting Minutes –I&RS Review Board

CATEGORY	DESCRIPTION
Meeting Name:	DTCC I&RS Review Board
Facilitator	Jeanann Smith, Cory Stark
Scribe	Jeanann Smith
Date & Time:	January 7th, 2019 2pm – 3:30pm
Location:	Conference Call

Advisory Group Attendees

NAME	GROUP
Karen Mottley	ACORD
Adam Neumann Harisudhan Janakiraman Sathya Srinivasan Christa Bustillos	AIG
Zack Nyberg	Allianz
Carol Albright David Paul Anupa George	Allstate
Michele Reece	American-Equity
Susanne Kennedy	Athene
Tracy Jones	Bulldog
Dawn Maffiolini	Delaware life
Jon Volpe Jeanann Smith Jovani Munoz Cory Stark Patrice Gantt	DTCC
Bryan Holland Frank Norton	EBIX
Ryan Brown Stephanie Reinagel Krysti Spohn	Edward Jones
JoAnn Booth Katie McIntyre	Fidelity
Jennifer Yerly	Genworth
Ellen Lester Stephen Kilbon	Global Atlantic
David Desrocher	Insurance Technologies
Andrew McMorris Adam Ducorsky	iPipeline
Rene Fedewa	Jackson National
Dan Falco Rolando Rodriguez	John Hancock

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Rachel Smith Rob Hosier	Lincoln
Bader Alhousainy	Manulife
Teresa Celsi Rich Sutphin	Mass Mutual
Carol Steele	Merrill Lynch
Sarah Baraff	M Financial
Joe Wengler	Morgan Stanley
Nick Jellings	National Western
John Gretz	Ohio National
Joe Procacini	Pacific Life
Nancy Mcfarlane	Principal
Susan Sanders Inge Hadi	Protective
April Ramos Michael Syrett	Prudential
Stephen Terry	Raymond James
Carissa Dove	R W Baird
Deb Hillebert	Security Benefit
Shelley Wallace Ryan Hoffman	Stifel
Chani Lu Wendell Tobiason	Symetra
Truda Wodke Emily Cole Fran Forslund Nancy Merryman	TransAmerica
Jonas Hellie Carolyn Palmer Ben Daniels April Grover	Wells Fargo

Meeting Minutes

Enhancements Re-Reviewed:

IPS00641 – COM – Add CBRC Codes

Lincoln is rquesting the ability to track commission paid on a life insurance policy based on reaching a maximum amount threshold pre-determined by the state of New York. Once the threshold is met, the commission paid is capped and no longer available for additional compensation. The threshold may be different based on the Target premium and the Excess premium amounts during any given year.

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Lincoln needs to be able to communication this threshold and possible reduction on the COM file that is sent to their distribution partners.
Lincoln is requesting four (4) new CBRC codes to be added to the COM file to communicate the threshold amount has been reached. Additionally, reversal (chargeback) codes will need to be supported as well.

- NY1 – Total NY compensation reached to Target Level
- NE1 – Total NY compensation reached to Excess Level
- CY1– Chargeback for Total NY compensation reached to Target Level
- CE1– Chargeback for Total NY compensation reached to Excess Level

01/07/2020 – After further review and discussion by the Review Board, this enhancement has been approved for the next code list release.

IPS00642 – APP SUB STL – Add Sum Total

Transmerica has submitted a request to add additional controls for submitted settlement files (APP/SUB, COM, STL) which will allow to validate the accuracy of the files after they are received from DTCC.

They are requesting DTCC to add a field that contains a sum total of the total premium (or DTCC settlement) values from the individual transactions that are be sent to the contra firm.

As requested by Transamerica, the Review Board continued discussion on Aadd ing a new field the files. After review during the December call, DTCC's recommendation is to add a new field to Contra Header Record on each file to support the 'total delivered NSCC settlement amount. Currently, DTCC populates on the contra record the total transactions received for processing and how many are being delivered. This will allow DTCC to identify any 'rejected' transaction. This total delivered settlement amount, from all files sent, should match the money settlement detail (MSD) file delivered for each service.

- Field Name: "Total Delivered NSCC Settlement Amount"
- Field will be populated by DTCC
- Field size: TBD
- Definition: Sum total NSCC Settlement Amount by Contra Party(s) of current file transmission.

Only sum when Premium Method = 'CLH' Transamerica believes this will meet their need and will circle back internally to confirm. They will let us know on the February 2020 review board call.

Pending for continued review and conclusion on February 2020 review board call.

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IPS00643 – POV – Add Fee Based Indicator

As part of the development of the Fee & Expense Transmittal (FET) in response to the DOL fiduciary rule, DTCC added a Fee Based Indicator to the CUSIP Profile to identify if a product is fee based or commission based.

Several carriers currently allow the CUSIP Product to be either one (it is not a one to one relationship) and therefore it is now required to pass this information back to the distributor as more annuities are networked into a brokerage account.

Pershing is rquesting this to be added to the Positions and Valuations (POV) files, at the contract level.

01/07/2020: The Review Board continued the discussion on the location of where to place the Fee Based/Advisory Indicator. This indicator will be optional with only a Y or Space as options. Some believed that this might result with inaccurate data for those who don't respond and suggested to make this indicator mandatory.

After further discussion, it was determined that this indicator will remain as optional with a better meaning of what Y or Space represents. The Review Board approved to have this indicator placed on the 1301 record as follows:

a. Field Name: Fee Based/Advisory Indicator
b. Y or Space
c. If yes, this is a fee-based or advisory contract and will not be receiving commissions. A space means that it not applicable or not fee based.

Additional discussion surrounded the ability to track this information at the agent level since insurance based retirement plans allow for agents to identify how they want to get paid.

The recommendations will be taken back to Pershing to discuss and review.

Pending for continued review and conclusion on February 2020 review board call.

New Enhancements Reviewed:

No New Enhancements were reviewed.

Discussion Items

- **January 2020 – Code List Release**

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    - (PSE – 1/23/2020 & Production – 1/30/2020)
- **March 2020 – Enhancement Release**
    - (PSE – 2/13/2020 & Production – 3/19/2020)

DTCC reminded the Review Board of the PSE and Production dates for the January 2020 Code List Release and the March 2020 Enhancement Release. Some of the Review Board members believed it will be challenging to make January 30th the Production date, due to being too close to the end of the month, for the January Code List Release. DTCC informed the Review Board we will reach out internally to determine if we can push back the production date to not impact month-end processing. DTCC will ensure going forward that we do not impact month-end, quarter-end, etc.

Note: Please be aware that DTCC has moved the production date for the January Code List to February 6th. PSE date will remain January 23rd.

- **ACORD/DTCC Mapping Advisory**
    - 4094 – Contract Entity Relationship Pointer
        - Definition:
    - 4099/4100 – Contract Entity Date & Qualifier
        - Need an example use case for UGMA Data (049)
            - Is this a Holding or Party?
        - Need an example use case for Date of Group Plan
            - Is this a Party or Group Master Holding?

The Review Board went over the ACORD/DTCC Mapping Advisory discussion item. There were uncertainties on whether the UGMA Date (049) is a Holding or Party. Example use cases were brought up and reviewed by the Review Board. After further discussion, the Review Board agreed that UGMA Date (049) is aligned with a Party and not a Holding.

There were also uncertainties whether Date of Group Plan is a Party or Group Master Holding. Example use cases for this item were also brought up and reviewed. The Review Board agreed that Date of Group Plan is aligned with a Party.

- **Arrangement (107) Message – Response**
    - ChangeTC – Why is this needed on the response?
    - 100490057 – v2.22 is used (ChangeTC not added until 2.24)

The question, why is ChangeTC needed on the Arrangement (107) Message – Response, was asked to the Review Board. ACORD informed that this code brings back a response to a message that had been sent. ChangeTC was not added until version 2.24 and confirmation that the extension code 100490057 supports the ChangeTC in version 2.22 was needed. The Review Board confirmed that the extension supports ChangeTC.

DTCC informed that they will double-check internally and confirm whether this code is passed on the schemas.

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- **Discuss standard usage**
    - Settlement - Custodially Owned Death Benefit Payouts – Current Edit
        - STL Item # 2014 – Relation Role Code
            - Item #2014, Data is optional when Transaction Type – DB or DR. Required for all other valid transaction types.
            - Item #2020 (first name) and 2021 (last name), required if the transaction type (2003) is DR; otherwise optional.
    - Positions & Valuations
        - Death Benefit Details & Definitions
        - Deposit/Guaranteed Dates (Start, End, Maturity)
        - Product Share Class Definitions
        - Fee Based vs Commission Based Indicator at Contract Level
        - Usage of Valuation Date (0005) on Submitting Participant
        - Cost Basis POV Data Points
            - Pre-TEFRA
            - Post-TEFRA
            - Cost Basis
    - Premium Method (4057) & Premium Type (4063)
        - What is the standard usage for these elements on APP/SUB?
    - Usage of Carrier Associated Company ID
        - Is it being used by Carriers? Distributors?

These points were not covered during this meeting due to time constraints. The Review Board will discuss these items on the next meeting. **<u>Next Call:</u>**

Tuesday, February 4th, 2019 at 2:00 – 3:30pm ET

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