Meeting Minutes –I&RS Review Board

CATEGORY	DESCRIPTION
Meeting Name:	DTCC I&RS Review Board
Facilitator	Jeanann Smith, Cory Stark
Scribe	Cory Stark, Jovani Munoz
Date & Time:	March 3rd, 2020 2pm – 3:30pm
Location:	Conference Call

Advisory Group Attendees

NAME	GROUP
Karen Mottley	ACORD
Greg Phillips Lalitha Nagarajan Sathya Srinivasan Christa Bustillos Adam Neumann Harisudhan Janakiraman Raja Ramachandran	AIG
Weusi Sharp	Albridge
Zack Nyberg Aaron Feia	Allianz
Carol Albright Anupa George	Allstate
Michele Reece	American-Equity
Susanne Kennedy	Athene
Kelly Dinville Charlie Evans Nicci Preston	Brighthouse
Tracy Jones	Bulldog
Dawn Maffiolini	Delaware life
Jon Volpe Jovani Munoz Cory Stark	DTCC
Bryan Holland Frank Norton	EBIX
Stephanie Reinagel	Edward Jones
JoAnn Booth Katie McIntyre	Fidelity
Jennifer Yerly Vicki Dees Brenda Brown-Morris	Genworth
Ellen Lester	Global Atlantic
David Desrocher	Insurance Technologies
Andrew Mcmorris	Ipipeline

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Jacob Wootten Kim Whitehouse	Jackson National
Dan Falco	John Hancock
Rob Hosier	Lincoln
Carol Steele	Merrill Lynch
Nick Jellings	National Western
Matt Myers	Nationwide
Matt Sullivan	NYL
Nidhi Mehra-Kumar Tom Pielage Eileen Sorrows Scott Gentry Bryan Kirby	Ohio National
Joe Procacini Danny Smith Liz Moore	Pacific Life
Jingping Li	Pershing
Mike Mccombs	Principal
Susan Sanders Amy Hamilton Heather Hillman Alvin Carter	Protective
April Ramos Mike Syrett	Prudential
Stephen Terry	Raymond James
Michelle Path	Sammons Financial
Kathi Carter Ryan Hoffman	Stifel
Chani Lu Wendell Tobiason Andrew Lombard Walter Buck	Symetra
Michael Sullivan	The Hartford
Truda Wodke Emily Cole Fran Forslund Nancy Merryman	TransAmerica
Jonas Hellie Carolyn Palmer Ben Daniels April Grover Debbie Wolfe	Wells Fargo

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Enhancements Re-Reviewed:

IPS00645 – IFW – Add Participant & Relation RoleCodes

With a rollout of new rider features, AIG needs the ability to not only report the participants to the rider but the ability to modify those participants upon request and confirm back.

AIG needs to update the messages (212, 113) to include with the Rider information, including the Participant and ParticipantRoleCodes of Coverage Insured and Joint Coverage Insured (92, 93), plus Lives Type and RiderCode.

At the point of requesting a Systematic withdrawal, the client can change 3 parts of their coverage:

1) They can change the Lives type and the covered persons,
2) Or they can change the income option only,
3) Or they can change all three (lives type, covered persons, income options).

The 212 will be updated so the carrier can respond back and include the Existing Rider coverage. RiderTypeCode, RiderSubTypeCode, RiderCode, RiderStatus, LivesType, Participant(s), @PartyID (including the new Participant Roles).

When making any of the 3 above changes, a 113 would be sent to show any changes made to LivesType, ParticipantRoleCode, or RiderCodes. Need to include updated Rider coverage: RiderTypeCode, RiderSubTypeCode, RiderCode, RiderStatus, LivesType, Participant(s), @PartyID (including the new Participant Roles). Need to include ChangeSubType and the ChangeTC would identify which fields are updated (ChangeTC 9 (Change Participants), 79 (Update Add Rider), 80 (Change LivesType))

A corresponding 107 would be sent at the same time as the 113, with a CorrelationGUID and CorrelationGUIDState to link these two messages together. CorrelationGUIDState on 113 would be TC 1 (Initial Usage), and CorelationGUIDState on 107 would be TC 3 (Final Usage)

The 107 should include **FormResponse** to identify if they are making changes to the Rider coverage or not.

In order to select new Covered Persons on the 113 request, the 212 will need to be updated to allow for the inclusion of Beneficiaries and Contingent Beneficiaries as Party/Relation, so they are available to be selected as a Covered Person.

<u>3/3/2020:</u> AIG provided an updated enhancement request to review. The changes involve adding new code lists and codes to existing code lists to the 212 and 113 request and response messages. The following elements will be changed:

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/TXLife/TXLifeRequest/OLifE/Holding/Policy/Annuity/Rider/Participant/ParticipantRoleCode
/TXLife/TXLifeRequest/OLifE/Relation/RelationRoleCode
/TXLife/TXLifeRequest/ChangeSubType/ChangeTC
/TXLife/TXLifeRequest/CorrelationGuid/
/TXLife/TXLifeRequest/CorelationGUIDState/

The Review Board discussed the changes and agreed to add this enhancement request to the September 2020 Release.

This enhancement request is approved for the September 2020 Release

New Enhancements Reviewed:

IPS00646 – Align Service Feature Codes (Still under review by DTCC)

During a recent review of the Positions and Valuations (POV) file mapping to ACORD model, it was identified that DTCC is using some depreciated codes for identifying Rider Type and Rider Sub Type.

To align with ACORD, we will need to make code changes to PVF, PNF only since the codes are used on the Service Feature (13/15) record. Not used on PFF.

03/03/2020 Status: The Review Board was updated to this pending enhancement request to update the DTCC POV files to become more inline with the ACORD code list supporting ACORD's <Rider Type> against I&RS 'Service Feature Type' and ACORD's <Rider Sub Type> against I&RS 'Service Feature Sub Type'. ACORD will provide DTCC with the information ACORD had found which identifies the inconsistencies. DTCC will provide more information to the review board with the changes/updates at a later date when more information becomes available.

Post meeting note: ACORD provided their analysis and recommendations to DTCC for coordination and alignment.

This enhancement request is pending

IPS00647 – POV – Add Application control number field

Jackson is requesting to add a field for the application control number on the POV. This will give distributors the ability to track the application and pay compensation on electronically submitted applications.

This field will be alpha/numeric and located in the filler spaces (position 222-241) on the 13/01 record of the POV that is 20 characters in length named application control number.

3/3/2020 Status: The Review Board discussed this enhancement request to add a new field 'Application Control Number' to the POV file. The review board was against

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including this field to the POV as it was not appropriate information to include with positions information as it was transactional information and not contract level information. The review board suggested to leverage other POV data such as: Distributors Account Number (eg BIN) to link the transaction to the Application. In addition, the review board suggested to use the FAR file to link to the Application as this file does include the Application Control Number. Jackson was going to review the information they heard from the review board and discuss internally and with distributors who may have requested this information on POV.

This enhancement request was Rejected

IPS00648 – STL – Add Non-Natural Name Field and Indicator

The settlement transaction does not allow the ability to provide a Non-Natural name (Trust), on the transaction and only has a place for First and Last Name. In addition, there is an edit requiring both to be populated before the transaction will be accepted for a Full or Partial Surrender.

Pacific Life is suggesting to add a Non-Natural indicator and a field for Non-Natural Name on the Settlement record layout (62-01).

3/3/2020 status: Two options were explained to the Review Board to add this field and indicator to STL for replacements. One is to redefine the 62-01 record and the other is to add a new supporting party record.

The Review board discussed this enhancement request and believed that it is not necessary to add these changes as a non-natural owner (i.e Trust) can be defined by annuitant (code G2) on the Relation Role Code list (item 2014). Several carriers follow this rule today.

PacLife will go over this suggestion and review internally if they can support what other carriers have suggested and report back if they have more information to provide.

This enhancement request is Closed

IPS00649 – PMP – Upgrade 228 Schema Version

The current ACORD schema version for PMP is 2.28. This version supports extensions and is flexible with older versions, but the further we go in time, newer schema versions will be released by ACORD and will be harder to upgrade. In addition, many carriers face several pain points with different schema versions, like having to create different messages to support that version accordingly.

Based on the 2019 ACORD conference, the conclusion was to upgrade the schema version for PMP from 2.28 to 2.43 on September 2020.

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3/3/2020 Status: As part of a board request to upgrade several I&RS web services products to a more current ACORD version, this enhancement request was reviewed. PMP would be the first product to upgrade to a more current version. DTCC will follow the ACORD's recommendations for the upgrade.

This enhancement request is approved for the September 2020 Release

IPS00650 – ATT – Enhance Attachments & Access to support 1035 Exchange/Replacements

As a continuation (following STL/RPL) to provide additional automation within the 1035 Exchange/Replacement process, DTCC is requested to enhance their Attachment Access and Attachment Processing (b2b) platforms to support carrier to carrier attachments of 1035 exchange/replacement documentation transmittals. The attachment service provides delivery consistency across participating Carriers eliminating variety of methods in place today (USPS, Express mail, Email or Fax). Below is a listing of the key benefits:

- Key Component to total (Paperless) Straight-Through-Replacement Processing
- Reduction in mail delivery costs for receiving carrier (assumes ceding carrier does not accept Fax or Email)
- Elimination of potential privacy breach risk of receiving carrier sending PII to incorrect; fax, email, or Address
- NIGO reduction at ceding carrier (assumes requirements are consistent between Carriers)
- Enhances Advisor experience because exchange is consistent between Carriers
- Workflow savings depending on time study of pdf exchange vs. other delivery options.
- Reduction in FTE related to the paper exchange process (Data Entry, package creation and sending)
- Reduction in timeframe for ceding carrier to receive via pdf vs. mail (usually 2-day savings)

There are requested changes to the Attachment Access and Attachment supported b2b schema. The changes are listed below:

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1) **Originating Transaction Type**:
   - For Attachment Access screen and Attachment Processing B2B schema
     - **Add 127** Replacement Processing Submission
   - For Attachment Control Table (Carrier Relationship) screen
     - **Add 127** Replacement Processing Submission
       - Support for MIME format PDF and TIFF

2 '**Attachment Type**' to support replacements:
   - For Attachment Access screen and Attachment Processing B2B schema
     i. **Add 65** ACORD 759 – Important Notice Regarding Replacement Form
     ii. **Add 107** Replacement Form
     iii. **Add 151** 1035 Paperwork
     iv. **Add 147** Trust Agreement
     v. **Add 250** Instructions/Reminders

3/3/2020: The Review Board discussed the changes that will occur to Attachment Access and Attachment supported b2b schema to support carrier to carrier attachments replacement process. The Review Board understood the changes that are being made.

This enhancement request will be part of the September 2020 Release

Discussion Items

- **March 2020 – Enhancement Release**
  - (Production – 3/19/2020)
- **March Code List Release**
  - (PSE – 3/12/20, Production – 3/19/2020)

DTCC informed the Review Board that the March 2020 Enhancement Release is in PSE and gave a reminder that it will be implemented in production on March 19th. DTCC also informed that the March Code List Release is scheduled for PSE on March 12th and for production on March 19th.

- **Messaging Dashboard changes**

DTCC gave a brief demo to the Review Board regarding the minor changes that were made to the Messaging Dashboard's search functionalities. These changes are currently in PSE and will be implemented in production on March 19th.

- **September 2020 Enhancement Release**

DTCC informed the Review Board this call (March) will be the last to approve any enhancement requests for the September 2020 Enhancement Release. The following enhancement requests/items are currently approved for the September 2020 Enhancement Release:

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- IPS00642 – APP SUB STL – Add Sum Total
- IPS00643 – POV – Add Fee Based Indicator
- IPS00644 – POV FAR FET – Add Fund Level Fee Type
- IPS00645 – IFW – Add Participant & Relation RoleCodes (revised)
- IPS00649 – PMP - ACORD version upgrade
- IPS00650 – ATT Enhance Attachments & Access to support 1035ExchangeReplacements
- Phase II – Removal of PII Data

- **Discuss standard usage**
  - (Wells Fargo) Usage of NPN and CRD numbers format

Wells Fargo had addressed this item on today's call. DTCC contacted both NIPR and FINRA for guidance on the format of their respective numbering format. Both providers identified their numbering systems as number with no leading zeros to represent the proper value.

It was highly recommended that all clients <u>follow a standard usage</u> for provide NPN and CRD numbers to their transacton partners in a consistent format, as follows:

- Keep NPN and CRD values as
  - <u>left justified</u> within the DTCC defined Alpha-numeric 10 byte field
  - Provide <u>only 0-9 values</u> to represent the NPN and CRD Number
  - Be diligent <u>do not provide leading zeros</u> in the values
  - <u>Do not include trailing zeros</u> to complete the total field length
- <u>Examples</u>:
- The vaild example values are: 12345 and 123045 and 1230450
  - 12345 – good format
  - 123045 – good format
  - 1230450 – good format
  - 012345 – not good format (leading zero)
  - 00123045 – not good format (leading zeros)
  - 1230450000 – not good format (trailing zeros to max field length)

  - (Symetra) Usage of Distributor Assigned Agent ID
    - Will Distributor Assigned Agent IDs be unique to an individual (not used by more than one agent)?
    - Would a Distributor Assigned Agent ID ever be reused?
    - Can the Distributor Assigned Agent ID for an Individual change?
      - If so, is the expectation the most recent will be returned?
    - Would an ID expected to be treated differently by a Carrier based on the DTCC service it was received from (APP/SUB, LNA etc.)

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- E.g. if we get an APP/SUB with an ID different from what we have on file is the expectation to update this?

Symetra had addressed this topic. There was little feedback from attendees on the call in reference to responding to the below questions.

What was discussed was the scenario of changes being made to POV in reference to PII modifications. The scenario was if a Producer does not have or was not assigned an CRD or NPN Number (eg: an agent with a firm for many years), this producer would no longer be reported on the POV file once the Producer's SSN is removed. Several carriers reported they would not include this producer on the file to meet the POV edit rules following PII. It was noted Distributor Assigned Agent ID or Carrier Assigned Agent ID were not included as required values for this type of scenario.

It was requested Review Board members review these questions internally and be prepared to share their information on the next month's call.

- (Morgan Stanley) 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
  - (Symetra) Death Benefit Details & Definitions
  - (Global Atlantic) Deposit/Guaranteed Dates (Start, End, Maturity)
  - (DTCC) Product Share Class Definitions
  - (DTCC IIEX) Usage of Valuation Date (0005) on Submitting Participant
  - (Global Atlantic) Cost Basis POV Data Points
    - Pre-TEFRA
    - Post-TEFRA
    - Cost Basis
  - (DTCC IIEX) Usage of Carrier Associated Company ID
    - Is it being used by Carriers? Distributors?

- (ACORD & DTCC) Premium Method (4057) & Premium Type (4063)
  - What is the standard usage for these elements on APP/SUB?

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

Tuesday, April 7th, 2020 at 2:00 – 3:30pm ET

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