



Insurance Services e-news

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Welcome back to e-News

We are pleased to bring you the newest edition of Insurance Services e-News, our monthly newsletter focused on highlighting important information. We hope you find this publication informative and helpful; and, as always, we certainly welcome feedback on items you would like to see in future editions. Please feel free to e-mail your comments, questions or suggestions to insurance@dtcc.com.

Fee Reduction

DTCC's Insurance Services is pleased to deliver some very exciting news to our participant companies! On July 1, 2007, the fee for our Positions & Valuations (POV) service was reduced, representing the first fee reduction in our history. This reduction is a significant move by DTCC to further drive down costs by passing savings back to our insurance customers, and is in line with our at-cost business model which returns excess revenues to its customers as volumes grow.

Fund Transfers

Fund Transfers will help automate and centralize the annuity fund transfer process by creating real-time request and response transactions, aiming to increase efficiency and lower operational costs. The system will: (1) create an efficient way for distributors to monitor and track rep-initiated fund transfer transactions to comply with regulatory requirements; (2) increase the number of In Good Order (IGO) fund transfers sent to carriers; and (3) improve the overall user experience for reps by mainstreaming the process, which can lead to increased annuity sales. This project is currently in pilot phase and is scheduled for 4th quarter 2007 production. For more information, please see the Participant section of the Insurance Services Web site or contact Craig Gurien at 212.855.5649 or cgurien@dtcc.com.

Replacements

DTCC Replacements processing will facilitate carrier-to-carrier replacement automation for qualified and non-qualified transfers of annuity and life insurance assets between insurance carriers. This process will include request/response data exchange, money settlement processing, case status reporting to distributors, and the ability to attach electronic documents to the requested message. The service will use ACORD's standard messages. Our Replacements Working Group will reconvene on July 12th, and we are currently looking for carriers and distributors to take part in a pilot test

group. If your firm is interested, please contact Cory Stark at 212.855.1683 or cstark@dtcc.com.

Attachments

DTCC Attachments processing will be a standalone process for participating members to electronically send and receive attachment documentation, eliminating the need to send documents through postal mail or overnight carrier service. The process will allow for the transmission of an attachment file, which can contain multiple document images, e-forms and e-signatures, and will provide a linkage between the application and the attachment file. A working group has been formed to determine business requirements and specifications, and a pilot group will be selected to test the product. Please contact Randi Gordon for more information at 212.855.5654 or rbgordon@dtcc.com.

September Enhancement Release

In order to support industry needs, Insurance Services schedules two enhancement releases per year (March and September). The 2007 September release impacts both the Positions and Values (POV) and Initial Application and Subsequent Premium (APP/SUB) services. This release includes optional changes in POV to support the new Fund Transfers service scheduled for 4Q07 release. Changes also have been made to POV and APP/SUB to support the NAVA Data Conformity initiative to standardize the classification and identification process of service features and riders on contracts. Please review the updated Requirements Document and Standard Usage on the Insurance Services Web site for more details. If you have questions, please contact Craig Gurien at 212.855.5649 or cgurien@dtcc.com.

Upcoming Events

July 17th: NAVA and ICI will co-sponsor an informational conference call for carriers on SEC Rule 22c-2 regulation and requirements. The call will be held from 2:00 to 3:30 p.m., ET. More information will be available soon. For details, please contact Jeanann Smith at 614.405.2004 or jsmith@dtcc.com.

July 19th: Finetre will be hosting a Fund Transfers Forum. DTCC will present a review on this current industry initiative and provide updated details on the recent scrutiny and regulatory requirements surrounding fund transfers.