

## **Standard Usage for License and Appointment Processing**

### **Affiliations**

*“Standard usage for Corporate Affiliation processing through DTCC’s L&A service suggests that distributors should provide the corporate affiliation indicator for all states in which they affiliate the agent with the firm. Carriers should program their systems to process corporate affiliated appointments based on their own company’s interpretation, regardless of the firm’s indicator. If the carrier receives an appointment request indicating a corporate affiliation, but the carrier has interpreted that an individual appointment should be processed, their system should default to individual appointment processing to avoid manual intervention.”*

### **Long Term Care Certification / California Annuities**

*“Standard Usage for providing certifications for both Long Term Care and California 620 suggests that carriers and distributors manage this process through selling agreement addendums which are currently in place for license copies and background investigations. Ideally, carriers and distributors would agree that all appointment requests transmitted through DTCC’s L&A service, requiring LTC or California annuity certifications, will be accepted and processed without explicitly providing certification detail. The selling agreement addendum should be revised to hold the distributor responsible for sending appointment requests only for those agents who have met and are current with certification requirements. For those trading partners not willing to accept risk through the selling agreement addendum, DTCC’s L&A service offers optional certification detail.”*

### **Appointment Date processing**

*“When providing the appointment effective date to the distributor, the carrier should send whichever date is held in their system (state or firm). Distributors should remove restrictions from their systems that prohibit appointment dates prior to employment dates, and accept the carrier’s date regardless of whether it’s a state or firm affiliated date. This will eliminate ongoing synchronization discrepancies between trading partners.”*

### **Just In Time Appointments (JIT)**

Group agreed to document the standardized process flow for JIT, but agreed that it would be very difficult at this point to standardize the actual interpretations amongst carriers and distributors. The following is the proposed standard process for JIT through DTCC

*“Trading partners will agree amongst themselves on which states they will allow for and process JIT appointments. As standard usage, the distributor will send all appointments to the carrier, regardless of whether or not the state is a JIT state. The carrier, according to the rules established, will either hold the appointment until business is submitted (JIT) or submit the appointment to the state immediately (non-JIT). For JIT appointments, the carrier will return an AC (appointment confirmation) transaction to the distributor with a PS (pending-can sell) status. This will indicate to the distributor that the producer is eligible to sell the carrier’s product. Once business is submitted in a JIT state, the carrier will trigger the appointment to the state and fully activate the producer. Upon full*

*activations, an AC transaction will be sent to the distributor to indicate an active appointment status.”*