Meeting Minutes –I&RS Review Board

CATEGORY	DESCRIPTION
Meeting Name:	DTCC I&RS Review Board
Facilitator	Jeanann Smith, Cory Stark
Scribe	Jeanann Smith, Cory Stark
Date & Time:	April 3, 2018 2pm – 3:30pm
Location:	Conference Call

Advisory Group Attendees

NAME	GROUP
Karen Mottley Pam Simonds	ACORD
Zack Nyberg Nate Strauman	Allianz
Carol Albright	Allstate
Michele Reece	American Equity
Susanne Kennedy Makayla Briggs	Athene
Ana de la Rosa	AXA
Josh Gerlach Kelly Dinville	Brighthouse
Jeanann Smith Cory Stark	DTCC
Saul Herrera Bryan Holland	Ebix
Gary Parent	Ebix Consulting
Jennifer Yerly	Genworth
Steve Kilbon Ellen Lester	Global Atlantic
Katherine Dease	Insurance Technologies
Rene Fedewa Catrice Lane	Jackson National
Michael Gonce	Janney
Dan Falco	John Hancock
Rob Hosier Dan Wilson	Lincoln
Sarah Baraff	M Financial
Joe Procacini	Mass Mutual
Carol Steele Angela Thompson	Merrill Lynch
Matt Sullivan	New York Life

Laura Klohe Jordan Donnellon Tara Martin Dan Lyons	Ohio National
Randi Gordon	Pacific Life
Marianne Jasmin Thomas Tofil	Prudential
Stephen Terry	Raymond James
Brian Houwman	RiverSource
Mike Grund	Sammons
Bev Erieau	Securian
Kathi Carter Shelley Wallace Ryan Hoffman	Stifel
Raja Perumal Ramachandran Sathya Srinivasan Adam Neumann	SunAmerica
Wendell Tobiason	Symetra
Erik Higgins	TIAA
Fran Forslund Nancy Merryman Daniel Reiss	TransAmerica
Anne Schoville	Voya
Jeanne Adams-Taylor Jim Gilmore	Wells Fargo
Monica Avery	Western National

Meeting Minutes

Enhancements Re-Reviewed:

IPS00583 – APP, SUB, POV, IFT – Add New Beneficiary Share Method Field

The enhancement was submitted to support the ability to report the beneficiary payout information when the passing of equal shares when not equally divisible into 100 percent. Add "Distribution Option" to App/Sub and POV record layouts to allow for the passing of equal shares.

It was requested that the group also look the InForce Web Transaction (TXLife 113 & 115) messages for beneficiary changes.

Today's status: The review board approved the proposed changes identified in the March meeting for products: APP/SUB, POV and IFT Web Services.
These changes will be included for voting with the September (Fall) 2018 release.

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Approved for Voting Inclusion with the September 2018 Release

03/06/18 status: The review board agreed to rename the 'Distribution Option' field to 'Beneficiary Distribution Option'. The group also agree to support adding the 'Beneficiary Distribution Option' as a longer term solution for processing for both Positions and Initial Application/Subsequent Premium data files.

The new field for 'Beneficiary Distribution Option' will be optional and have the following code list:

> 1 = Equal Shares
> 2 = Percent
> 5 = Dollar Amount

Multiple validation edits were agreed to apply within the DTCC process when populating the Beneficiary Distribution Option. Please see the enhancement request for details.

02/06/18 status: Renamed 'Beneficiary Share Method' to 'Distribution Option' throughout this document. This enhancement request is under review for the next review board meeting.   May also involve changes to the IFW 113 (Policy Inquiry) and 115 messages

There are a number of old contracts that may not store this information to be sent back on the POV files.   Therefore the edit will be modified to only be on the APP/SUB file. Please see enhancement for edit details.

IPS00584 – POV – Add Contract Value Qualifier

Janney is looking for a new code to receive the Guarantee Minimum Death Benefit on a policy from the carrier. We find this information to be important when determining the suitability of a 1035 Exchange. In addition, we would like to display this information to our advisors so they can make determinations to protect increased death benefits.

Today's status: The Review Board agreed to withdraw this enhancement request. Existing Contract Value Qualifiers within the Positions (POV) file are sufficient to meet Mass Mutual and the industry's needs. The Board discussed the usage of GDB (Guaranteed Death Benefit) and GD (Gross Death Benefit).

Standard (Suggested) Usage: When these 2 codes (GDB and GD) are used in combination with different values for any given annuity contract, the GDB value is be represented as the Guaranteed Minimum Death Benefit.

03/06/18 status: Review Board had questions on the proposed code definition and usage with other existing qualifiers. This enhancement was deferred for the next board meeting.

IPS00587 – APP, FAR, POV – Add Additional Output Cycle Time

Today, the current output cycles are as follows for POV, FAR and AAP for production. DTCC systems are open to receive inbound files Monday through Saturday 1:00am – midnight.

This enhancement request is to add an additional output cycle for all three services at 2:00am.

Today's status: The Review Board discussed adding an additional early cycle of 2am (ET) to the 3 products identified for all output cycle days (Mon-Sat). Several carriers, including those located in the west coast, reported they probably would not have output data available at that time from the batch processing. It was suggested only the Monday business day have an added 2am cycle. Several carriers reported a 1 day, 2am cycle would impact their processing and the thought of a Monday falling on a holiday would add other complexities.

DTCC said they would review potential options internally and report back to the group on the next Review Board call.

This enhancement remains Pending.

03/06/18 status: This enhancement request was reviewed and remains pending for the next Review Board call. This change would require all recipients of FAR, POV and AAP data to be prepared to accept an earlier (2am ET) cycle transmission. In addition, all submitters of this data are to be prepared to accept any rejected transactions at the earlier cycle transmission time.

IPS00586 – IFW – Add CorrelationGuidState Element

This enhancement was submitted to request a change to all InForce Web Transactions (IFW) schemas.   This would support correlated inforce transaction processing our mutual clients has provided requirements that they would like to receive the CorreationGUIDState property on the request message when applicable.

Today's status: This enhancement request was approved by the review board for voting and inclusion with the September (Fall) 2018 release. See 03/06/18 requirements and DTCC validation. Expected change will impact request and

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response messages for: Withdrawal (105), Arrangement (107), and Fund Transfer messages.

Note: it was questioned which IFT web services clients would be prepared to test this change prior to production implementation.

Enhancement Request was Approved for Fall 2018 Release Voting

03/06/18 status: This enhancement request was reviewed and remains pending for the next call. The request is to add a new optional element <CorrelationGUIDState> to each In Force Transaction web service request and response message that currently supports a <CorrelationGUID>.

      i. Acceptable values for the <CorrelationGUIDState> are:
- 0 (Unknown)
- 1 (Initial Usage)
- 2 (Ongoing Usage)
- 3 (Final Usage)
- 2147483647 (Other)

DTCC validation: If the <CorrelationGUIDState> element is populated, DTCC is to reject if its value does not match an acceptable code.

New Enhancements Reviewed:

IPS00589 – APP, FAR – Friday Holiday Processing No Batch Cycle Processing

Schwab would like some changes to the DTCC Friday Holiday processing schedule. This request is specific only when the holiday falls on a Friday. The Good Friday Holiday is one holiday that consistently falls on Friday every year. Schwab believes that the change being requested will make sense to others and is more in line with other holiday processing outside of annuities.

The requested change is to also send the Annuity Asset Price (AAP) and Financial Activity Reporting (FAR) file with the Positions & Valuation (POV): Full Refresh (PVF) on Friday morning (day after the holiday) to the recipients (Distributors and Broker/Dealers) instead of Saturday morning.

Today's status: Schwab representation was not present on the call to describe their request. This enhancement was deferred for the next call.

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Discussion Items:

- TLS Upgrade Support (web services – complete before July 1st)
    - Work continues on upgrading TLS versioning on web service URLs. Please note: DTCC will only support 1.1 and 1.2. The default is going to be set to 1.2 (with 1.1 as an exception)
    - PSE upgrade: all remaining URLs will be upgraded to 1.2 on April 26th
    - Production upgrade: May 17, 2018 or June 21, 2018

- Reg SCI testing 2018
    - Saturday, August 18th (pre-test)
    - Saturday, October 13th (test)

- Commission Processing - Standard Usage

Jackson National has documented standard usage for identifying the "Party Role" when sending Commission (COM) and Position (POV) data files. This usage is based on the following assumptions:
- Non-primary owners & non-primary annuitants should not be sent in the COM file.
- 'OK' role should be assigned only if the client is the primary annuitant and primary owner.
- *The roles of HA & G2 can be used in place of OK.*
- *JV (joint owner) should not be present in POV more than once on a policy.*

Today's status: the review board agreed that only the primary owners and annuitants will be sent on COM. This is not to 'describe' the parties to the contract on the COM file but to use as a validation/identifying element only.   All specific roles that apply to the contract should be sent on the POV file.

In addition, two additional assumptions were identified during the call (please see above in red italic.)

Legend:

Primary Role
Secondary/Joint Role

Scenario #1	Name	Roles - COM	Roles -POV
Primary Owner	Jim Smith	HA	HA
Joint Owner	Betty Smith	-	JV
Primary Annuitant	Betty Smith	G2	G2
Joint Annuitant	N/A	-	-
Scenario #2	**Name**		
Primary Owner	Jim Smith	OK	OK

Joint Owner	Betty Smith	-	JV
Primary Annuitant	Jim Smith	-	-
Joint Annuitant	Betty Smith	-	HC
Scenario #3	**Name**		
Primary Owner	Jim Smith	HA	HA
Joint Owner	Betty Smith	-	JV
Primary Annuitant	Betty Smith	G2	G2
Joint Annuitant	Jim Smith	-	HC
Scenario #3	**Name**		
Primary Owner	Jim Smith	HA	HA
Joint Owner	Betty Smith	-	JV
Primary Annuitant	Sally Smith	G2	G2
Joint Annuitant		-	-	-

- I&RS Senior Advisory Board (SAB) – Take Away for this group

A new data strategy project will be kicked off in April 2018 to look at the data that is shared between the insurance carriers and distributors and uses of that data. More to come as this initiative is scheduled.

- IAR/RIA – POV: Fund Transfer Restriction Reason Codes (Allianz)
    - *This would not discussed due to time constraints. Will be moved to May's meeting.*

- New Oregon Transportation Tax – need the ability to report on the FAR transactions (Lincoln)

    - *This would not discussed due to time constraints. Will be moved to May's meeting.*

- Index-Linked Hybrid Product Work Group – every Thursday @ 2PM
    - *This would not discussed due to time constraints. Will be moved to May's meeting.*

- April code list updates – April 19 (PSE), April 26 (Production)

Next Call:

May 1, 2018 @ 2:00pm ET