Meeting Minutes –I&RS Review Board

CATEGORY	DESCRIPTION
Meeting Name:	DTCC I&RS Review Board
Facilitator	Cory Stark & Jeanann Smith
Scribe	Cory Stark & Jeanann Smith
Date & Time:	February 6, 2018 2pm – 3:30pm
Location:	Conference Call

Advisory Group Attendees

NAME	GROUP
Karen Mottley Pam Simonds	ACORD
Christa Bustillos Harisudhan Janakiraman Narendra Dommaraju	AIG
Wesui Sharp	Albridge Solutions
Becki Carnahan Zack Nyberg Nate Strauman	Allianz
Carol Albright	Allstate
Michele Reece	American Equity
Susanne Kennedy	Athene
Val Vovk	AXA
Kelly Dinville Lisa Pins Josh Gerlach Joseph Franceus	Brighthouse
Jeanann Smith Lisa O'Neill Cory Stark	DTCC
Bryan Holland	Ebix
Gary Parent	Ebix Consulting
Sue Pettit	Edward Jones
Jennifer Yerly	Genworth
Steve Kilbon	Global Atlantic
Jay Rottenberk	iPipeline
Rene Fedewa Catrice Lane	Jackson National
Dan Falco	John Hancock
Dan Wilson Rob Hosier Todd France	Lincoln
Sarah Baraff	M Financial

Joe Procacini Dave Deroscher	Mass Mutual
Carol Steele Angela Thompson	Merrill Lynch
Gary Carmichael Vicky Eggleton	Nationwide
Matt Sullivan	New York Life
Mike McCombs	Principal
Susan Sanders	Protective
Marianne Jasmin Thomas Tofil	Prudential
Stephen Terry	Raymond James
Mike Grund	Sammons
Beverly Erieau	Securian
Kathi Carter Shelley Wallace	Stifel
Wendell Tobiason Chani Lu	Symetra
Nancy Merryman Truda Wodke Daniel Reiss	Transamerica
Nick Jellings	Voya
Jim Gilmore	Wells Fargo
Laura Mancini	Western & Southern

Meeting Minutes

Enhancements Re-Reviewed:

IPS00579 – STL – Adding Identifying Annuitant Information

Carriers leveraging C2C Settlements are running into instances where we need to contact the ceding carrier company. Additional information is need to able to get additional information from the ceding carrier.

The enhancement is requesting to add Annuitant SSN and First/Last Name to the STL file.

Today's status: **Approved for inclusion in September 2018 release.**
Confirming adding two new fields to STL contract record: Last Name and First Name. Both fields will be required based if the Transaction Type is PS (Partial Surrender) or FS (Full Surrender). The values represented as the First and Last Names will coincide with the individual represented with the Partial SSN and the Relation Role Code (item #2014) on STL.

Status from 12/06/17: This enhancement was approved for inclusion in the upcoming September 2018 release. The agreed upon option is Option 1. STL currently has 60 bytes of filler available. The STL layout already has the partial identification number (item #2015) therefore we will only be adding the Annuitant Last Name (35 bytes) and Annuitant First Name (25 bytes.) This will include a new edit based on the transaction type.

IPS00580 – APP – Add Inherited IRA Information

Several carriers are working with the order entry platforms to support beneficiary/inherited IRA for delivery via APP/SUB. Many data elements will need to be supported and the work group is looking to get agreement on the required carrier-specific elements. When submission of decedent information is passed, carriers need the ability to send both the decedent's date of birth (DOB) and date of death (DOD).

The enhancement asking for a new field to be added which support the submission of APP data for inherited/beneficiary IRAs via APP/SUB.

Today's status: **This enhancement approved for inclusion in the September 2018 Release.** The enhancement will add new field "Decedent's DOB' to the APP/SUB 33/18 record. This field is optional and will format as CCYYMMDD.

12/6/17 status: The documentation will be updated to include the following. In addition, standard usage will be published by DTCC for support of APP for these types of contracts.

The following will support the submission of APP data for inherited/beneficiary IRAs.
Owner (HA): John Doe Decedent FBO Jane Doe

Annuitant (G2): Jane Doe
Additional Contract Entity (DE): John Doe

Relationship

- Decedent Date of Death (4099/4100)
    - Contract Entity Date with qualifier 442
- Decedent Relationship to Annuitant (4093)
    - Contract Entity Relationship Pointer (e.g. Spouse – 41)

New Enhancements Reviewed:

IPS00581 – POV, APP, SUB – Code List Add to Service Feature Frequency

Currently POV supports the ability to report on systematic withdrawal program on the Service Feature (13/15) record. All frequencies are supported except for Bimonthly (once every two months.) Currently, there are a closed block of contracts that offered this frequency for these programs. The current code list for Service Feature Frequency (item #3615) on the Positions 13-15 record does not include a code we can use to identify this frequency.

This enhancement supports adding this additional frequency type.

Today's status: **This enhancement is under review.** The review board agreed to add this new Service Feature Frequency code value to the Positions (POV) file. In addition, it was questioned if this same code value should be included within the Service Feature Frequency code list of APP/SUB product and the IFT web services (107 Arrangement) message to be consistent with values representing Service Feature Frequency.

This enhancement will be further discussed at the next review board meeting.

IPS00582 – IFW – Add New Rider Sub Type Code

This enhancement was submitted to align the Rider Sub Type codes available on the Positions (POV) file with the RiderSubType codes available on the InForce Web Transactions. Currently, POV has code 63 available to support the reporting of Market Value Adjustment Waived. This needs to be added to the existing messages (212, 105, 107).

Today's status: **This enhancement approved for inclusion in the September 2018 Release.** The definition of this code will be taken from the ACORD documentation representing the RiderSubType = 63.

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

This enhancement is to add a new field called "Distribution Option" to App/Sub and POV record layouts to allow for the passing of equal shares. This will help in scenarios when the number of beneficiaries is not equally divisible into 100 percent.

The modifications will include:

- Adding a two-byte required field to positions 235-236 filler on the Beneficiary Record (33-22) on App/Sub called "Distribution Option" which references a new code list.

- Adding a two-byte optional field to positions 209-210 filler on the Contract Party Record (13-09) on POV called "Distribution Option" which references a new code list.
- Adding a new Code List for "Distribution Option" to both App/Sub and POV with the following values (from the Acord list):
    - 1 = Equal Shares; 2 = Percent; 5 = Flat Dollar Amount
- Creating a new edit to drive population field beneficiary quantity fields on both APP/SUB.

Today's status: **This enhancement is under review**. The field was 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. The edit will be:

If Distribution Option will be optional/conditional. If populated:

1) And equal to 2 (Percent); than Beneficiary Quantity Percent (4137) must be populated and greater than 0 and Beneficiary Quantity Qualifier (4146) must equal to P1 (percent).
2) And equal to 5 (Flat Dollar Amount); than Beneficiary Quantity Amount (4145) must be populated and greater than 0 and Beneficiary Quantity Qualifier (4146) must equal to DO (dollars).
3) And equal to 1 (Equal Shares); than Beneficiary Quantity Amount (4145); Beneficiary Quantity Qualifier (4146) and Beneficiary Quantity Percent (4137) must be spaces.

What if the Distribution Option is not populated…..?

Next meeting we need to review and discuss the edit when it is populated and not populated.

Discussion Items:

- TLS Upgrade Support (web services – complete before July 1st)

- Supporting 1.0 and 1.1
  - Getting to version 1.2
  - First URL upgrades in PSE (Feb 22), every 2-3 weeks thereafter.
  - Email was sent out by DTCC (C. Stark) on February 2nd confirming that the following firms have been scheduled to migrate over to v1.2 on the February 22nd in PSE. We are considering an alternative method to upgrade Production client URLs.

- Request Definition Change to <ResultInfoCode> 115
  - Currently, DTCC uses this ResultInfoCode is supported in all messages where Attachments of Form Instance.
  - The current definition: Hash included in the file does not match HashType on AttachmentHashAlgorithm.
  - Proposed Definition: Hash validation failed. The hash value produced during receiver validation does not match the hash value provided in the file or hash properties are missing from the file.
  - **Review Board approved to adjust the definition to the DTCC data dictionary and Attachment Guide document.** DTCC will create an ER (IPS00585) for recordkeeping/audit trail purposes.

- Commission Processing Standardization
  - Feedback received from distributors that uses this party codes to determine primary owner and doesn't expect more one owner/annuitant on a contract. COM currently supports a limit of four party roles.
    - Current available Party Role Code values on COM file:
      - OK – Owner/Annuitant or Owner/Insured
      - HA – Owner
      - G2 – Annuitant
      - PI – Insured
  - **<u>Under review</u>.** Jackson to create a follow up document of scenarios and standard usage to discuss on next call.

- IFT Withdrawals (107) RMD Calculation Method
  - For the IFT web service transaction type 107 (Arrangements), ArrType 38 (Systematic Withdrawals), an ArrSubType of 12 (Substantially Equal Periodic Payments) is allowed, but the 107 transaction request XML does not contain a field to indicate the method used to calculate the payments to satisfy IRC 72(t) or 72(q). However, these calculation methods are needed. They are Life Expectancy Method and Amortization Method or Annuitization Method.
  - Current RMD Calculation Method available in 107 message includes:
    - Uniform Life Table
    - Uniform Life Table Exception
    - Single Life Table

- **Under review:** Jackson will re-review this topic and report back to the review board for clarification or if any code list changes are recommended.

- February Code List migration
  - Products Impacted:
    - Positions and Valuations (POV)
    - Commission Schedule Transmittal (CST)
    - Applications/Subsequent Premiums (APP/SUB)
  - Migration Schedule:
    - PSE – Thursday, February 22nd
    - Production – Thursday, March 1st

- March 2018 Enhancement Release
  - Products Impacted:
    - Applications/Subsequent Premiums (APP/SUB)
    - InForce Web Transactions (IFW)
    - Licensing & Appointments (LNA)
  - Migration Schedule:
    - PSE – Thursday, February 22nd
    - Production – Thursday, March 29th

- Hybrid Product WG (Index, VA, Buffer) – Kickoff – Thursday, 2/15 @ 2PM
  - Please send DTCC (J. Smith) your interest in participating.

Next Call:

March 6, 2018 @ 2PM.