

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:	July 3, 2018
Location:	Conference Call

Advisory Group Attendees

NAME	GROUP
Karen Mottley	ACORD
Nate Strauman	Allianz
Michele Reece	American Equity
Makayla Briggs Susanne Kennedy	Athene
Jeanann Smith Cory Stark	DTCC
Saul Herrera Bryan Holland	Ebix
Catherine Estrada	Edward Jones
Jennifer Yerly	Genworth
Ellen Lester	Global Atlantic
Katherine Dease	Insurance Technologies
Sanjay Bharadia	John Hancock
Dave Desrocher Joe Procacini	Mass Mutual
Carol Steele	Merrill Lynch
Mark Watermillier	MetLife
Joe Wengler	Morgan Stanley
Gary Carmichael Vicky Eggleton Kathy Roehrenbeck Kathy Cottrk	Nationwide
Matt Sullivan	New York Life
Jordan Donnellon Katie Sprouse	Ohio National
Randi Gordon	Pacific Life
Thomas Tofil	Prudential

Chrissy Fernandes Stephen Terry	Raymond James
Mike Grund	Sammons
Justin Moser	Securian
Rene Ostrea	Schwab
Monica Avery Harisudhan Janakiraman	SunAmerica
Chani Lu	Symetra
Nancy Merryman Daniel Reiss	TransAmerica
Jeanne Adams-Taylor Greg Searle	Wells Fargo

Meeting Minutes

Enhancements Re-Reviewed:

IPS00597 – COM – Add New Commission Duration Qualifier Field

There is a need to report the compensation paid to a specific distributor and/or financial advisor based on a duration of time. (e.g. days, weeks, months, etc.) This would be due to a change on a plan when moving from advisor to another advisor. The compensation needs to be reported to reflect the duration in which the initial advisor was on the plan.

The request is to leave the Coverage Duration field as is and to add 2 new fields named Commission Duration and Commission Duration Qualifier to identify the period of time. The Commission Duration Qualifier will have a code list that will show the Commission Duration being passed.

Today's status: The review board agree to add 2 new fields to the POV 22-01 record. These fields will represented as:

- **Commission Duration** – an optional 3 position numeric field
- **Commission Duration Qualifier** – an optional/condition 1 position numeric field – required when the Commission Duration is populated and greater than zero

Note: Mass Mutual will add definition to these 2 fields and present to the review board on the next call. These definitions will be included within the data dictionary.

Approved for March 2019 Release

June status: The Coverage Duration field has a comment on the POV record layouts that states the field defaults to years. (e.g. 001 = year; 005 = years.) The board would like to discuss further and will be re-reviewed during July's meeting.

IPS00598 – POV – Add GLWB Activation Indicator

Distributors want to know when a Living Benefit rider is exercised. E.g. they may have a Guaranteed Withdrawal Benefit, but they don't know if the client has chosen to execute the rider and start getting funds.

The discussion settled around two possible options: 1) simply adding a 'flag' that the rider has been exercised; or 2) add an exercised date which will be blanked until the client exercises the rider and will then show the date they started the rider.

Today's status:

- 1) The review board continued its review of **Service Feature Start Date** and **Service Feature Stop Date**. The board agreed the current field names and definitions are appropriate and will remain. The group is considering adding a 3rd field as follows:
 - Propose Name: Service Feature Activation Indicator
 - Propose Definition: Indicator on which the service feature was or will be Executed or Activated.

Note: Symetra will review these 3 fields and define a best practice for their usage. This information will be presented on the next review board call.

- 2) It is still under review board consideration to remove the Contract Service Feature 13-15 single record usage of multiple occurrences representing Service Feature Type Code and Service Feature Sub Type Code [2 to 6].

From the review board feedback received, there is strong indication the multiple occurrences per record should be removed.

Enhancement is under review

June status: Many distributors said this would be good information to receive.

During the discussion another option was identified to use the current field of Service Feature (SF) Start Date to identify the exercised date of the rider.

This may cause some confusion if the current date fields are used. Typically the SF dates are used with arrangements such as systematic withdrawal or DCA programs not with riders. In addition, adding a flag or start date on the 13/15 record would be confusing if multiple service features are sent on a single record. Suggestion was to remove the SF type/sub types 2 – 6 and replace with filler

It was requested that questions be sent out to firms to determine how SF dates are used? The group will discuss the feedback on the next call and determine the best approach.

Homework for feedback:

1. Do you use the SF dates today for reporting the election of riders (regardless of point of sale or post issue)?
2. If so, do you allow these elections to be discontinued and re-started periodically?
3. Does your firm send more than one SF on the 13/15 record? Would you be in support of removing the 2-6 occurrences and replace them with filler?

New Enhancements Reviewed:

IPS00599 – FAR – Add Original Contract Number field

Currently, the POV layout has an "Original Contract Number" field in the 13-01 Contact Record but does not have an equivalent in the FAR file.

Some processes that only consume the FAR will need to cross reference the POV record in order to obtain the "Original Contract Number". Ideally, if the FAR file has an equivalent field, processes that consumes the FAR file can be simplified and will not need to cross reference the POV file to obtain the "Original Contract Number".

It was discussed the concern of duplicating the POV and FAR file since both should continue to have different usage and not be consistent with the data reported to each. Schwab stated this request becomes additionally needed when transactions are considered 'adopted' and are never reported on the POV file. This prohibits a cross reference of the Original Contract Number. Therefore, the Original Contract Number would be beneficial to have on the FAR file on its own.

Today's status:

The review board agreed to add **Original Contract Number** to the FAR file. The definition and field length (30 bytes) of this new FAR data field will be consistent with the definition and field length of the POV file. This field will be added to the 43-01 record as an optional field.

Approved for March 2019 Release

IPS00589 – AAP, FAR – Friday Holiday Processing

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 believe 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 & Valuations (POV): Full Refresh (PVF) on Friday morning (day of the holiday) to recipients (Distributors and Broker/Dealers) instead of Saturday morning.

Today's status:

The request to send Annuity Asset Pricing (AAP) and Financial Activity Reporting (FAR) output data files on the Good Friday Holiday was discussed. It was suggested by DTCC if mainframe output data files were to be released on the Good Friday holiday, why not perform the same function for all non-settlement mainframe output (ie: AAP, FAR, IFT-BIN and REP and LNA) for all holidays (not just Good Friday) when DTCC is closed for the holiday.

It was noted DTCC will have limited operational staff for inquiries and processing challenges on these types of holidays. The review board noted the same holiday staffing challenge in their firms.

The review board requested to discuss this suggested mainframe output processing change internally within their firms and report back at the next review board meeting.

- **Impact consideration to distributors and service providers:** preparedness to accept additional output files on all holidays
- **Impact consideration to carriers:** preparedness to accept potential DTCC rejected output transactions on all holidays

This enhancement request remains under review

Discussion Items:

- POV Contract Value Qualifiers (Benefits) and associated Service Feature
The review board received the complete list of Contract Value Qualifiers and was asked to verify those Qualifiers, identified as benefits, which Service Feature and Service Feature Sub Type are they aligned with.

Take away: Carriers Athene, Mass Mutual and Global Atlantic agreed to volunteer and review this information confirm the Contract Value Qualifier benefit to Service Feature alignment and report back to the review board.

- Reg SCI testing for 2018 has been announced
 - Production Environment will not be available after 5:00am ET Saturday.
 - Please see Important Notice a8561 posted on May 30, 2018.
 - Saturday, August 18th (pre-test)
 - Saturday, October 13th (test)
- Lives Type (references 2017 enhancement request IPS00560)
 - POV:
 - **DTCC will remove:**
 - SF-Sub Type 12 (Joint Life Guaranteed Withdrawal for Life)
 - **All clients are to use** the existing POV code list <Lives Type> (S, J)
 - IFT web service:
 - **DTCC will remove:**
 - <Rider SubType> = 12 (Joint GLWB)
 - **All clients are to use** existing property <LivesType> (1, 10)

IMPORTANT: This removal/change will be included as part of the March 2019 Release. Please work with your partners to begin to use Lives Type in POV and IFT web services now or as soon as possible and before the March 2019 release.

- Removal of NPI data (e.g. SSN) from existing files
 - Kickoff meeting:
 - July 10, 2018 @ 2:00pm – 3:00pm
 - If you are interested in participating on these calls, please send an email to Cory Stark (cstark@dtcc.com) or Jeanann Smith (jsmith@dtcc.com)
- September 2018 Release has been closed and is scheduled for the following dates.

- PSE – August 30, 2018
- Production – September 27, 2018
- Products Included:
 - * Attachmt Access
 - * APP/SUB
 - * COM
 - * CST
 - * FAR
 - * IFW
 - * POV
 - * STL

Next Call:

August 7, 2018 @ 2:00pm ET