

Meeting Minutes –I&RS Review Board

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

Advisory Group Attendees

NAME	GROUP
Karen Mottley Pam Simonds	ACORD
Harisudhan Janakiraman Raja Ramachandran Sathya Srinivasan	AIG
Zack Nyberg Nate Strauman Bryan Harmelink	Allianz
Carol Albright	Allstate
Susanne Kennedy Makayla Briggs	Athene
Kelly Dinville Josh Gerlach Dylan Barker Joseph Franceus	Brighthouse
Cory Stark	DTCC
Bryan Holland Saul Herrera	Ebix
Karen Brenneman	Fidelity
Jennifer Yerly	Genworth
Steve Kilbon	Global Atlantic
Katherine Dease Ron Shouse	Insurance Technologies
Jay Rottenberk Adam Ducorsky	iPipeline
Catrice Lane Brian Kleman Sudeep Singh	Jackson National
Dan Falco Sanjay Bharadia	John Hancock
Dan Wilson Rob Hosier Todd France Rachel Smith	Lincoln

Sarah Baraff	M Financial
Joe Procacini Dave Deroscher	Mass Mutual
Carol Steele	Merrill Lynch
Gary Carmichael	Nationwide
Ajitha Ramadass	New York Life
Tara Martin Laura Klohe Dan Lyons	Ohio National
Tyler Trachtenberg Liz Moore Randi Gordon Dan Smith	Pacific Life
Mike McCombs	Principal
Thomas Tofil	Prudential
Mike Grund	Sammons
Deb Hillebert	Security Benefit
Kathi Carter Shelley Wallace Ryan Hoffman	Stifel
Wendell Tobiason Chani Lu	Symetra
Nancy Merryman Fran Forslund Daniel Reiss	Transamerica
Michelle Herrick Chris Miller	US Bank
Nick Jellings	Voya
Jim Gilmore Jeanne Adams-Taylor	Wells Fargo
Laura Mancini	Western & Southern

Meeting Minutes

Enhancements Re-Reviewed:

IPS00581 – POV, APP, SUB, IFW – 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 is 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 Approved for Fall 2018 Release.**

The review board agreed to add this new Service Feature Frequency code value to the:

- 1) Positions (POV – item 3615) and Initial Application/Subsequent Premium (APP/SUB – item 4221) data files. The code value in both files will be:

5 (bimonthly – every 2 months)

Note: The review board requested to modify the definition within POV and APP/SUB data dictionaries for Service Feature Frequency code representing 'Semimonthly' to 'Semimonthly (twice per month)' to be more descriptive.

- 2) In addition and to be consistent with similar feature frequencies of In Force Transaction web services. The Arrangement Mode <ArrMode> and <Benefit Mode> will be expanded to support a frequency of 'every'2 months'.

The ACORD value to support <Arrmode> and <Benefit Mode> is:

15 (every 2 months)

All request and response message that support <Arr Mode> or <Benefit Mode> will be expanded to support this new value.

For <Arr Mode>, this will include the following messages: Values Inquiry 21209 (response), Withdrawal 105 (request), Arrangement 107 (request).

For <Benefit Mode>, this will include the following messages: Values Inquiry 21209 (response), Arrangement 107 (request).

February status: **This enhancement is under review and will be discussed at the next meeting.** 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.

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 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

If populated, the following DTCC validation edits were agreed to apply within the DTCC process when the Beneficiary Distribution Option :

For APP/SUB:

When Beneficiary Distribution Option' is 1 (Equal Shares):

- Beneficiary Amount/Quantity (item 4145) must = null
- Beneficiary Quantity Qualifier (item 4146) must = spaces
- Beneficiary Quantity Percent (item 4135) must = null

When Beneficiary Distribution Option' is 2 (Percent):

- Beneficiary Amount/Quantity (item 4145) must = null
- Beneficiary Quantity Qualifier (item 4146) must = 'P1' (Percent)
- Beneficiary Quantity Percent (item 4135) must = greater than 0

When Beneficiary Distribution Option' is 5 (Dollar Amount):

- Beneficiary Amount/Quantity (item 4145) must = greater than 0
- Beneficiary Quantity Qualifier (item 4145) must = 'DO' (Dollar Amount)
- Beneficiary Quantity Percent (item 4137) must = null

For POV:

When Beneficiary Distribution Option' is 1 (Equal Shares):

- Beneficiary Amount/Quantity (item 3820) must = null
- Beneficiary Quantity Qualifier (item 3821) must = spaces
- Beneficiary Quantity Percent (item 3822) must = null

When Beneficiary Distribution Option' is 2 (Percent):

- Beneficiary Amount/Quantity (item 3820) must = null
- Beneficiary Quantity Qualifier (item 3821) must = 'P1' (Percent)
- Beneficiary Quantity Percent (item 3822) must = greater than 0

When Beneficiary Distribution Option' is 5 (Dollar Amount):

- Beneficiary Amount/Quantity (item 3820) must = greater than 0
- Beneficiary Quantity Qualifier (item 3821) must = 'DO' (Dollar Amount)
- Beneficiary Quantity Percent (item 3822) must = null

Note: if the optional 'Beneficiary Distribution Option' is not populated, the above DTCC edit rules will not apply and will not be enforced.

It is still to be decided if this change will be included with In Force Transaction web services messages.

- o Policy Administration Inquiry (115) response message
- o Policy Administration (113) request and response messages

These messages were identified to support the <Distribution Option> based on the existence of the <Beneficiary Share Method> present in each message.

The change would represent:

Add an optional ACORD XML <Distribution Option> element with the following code list values to the above messages:

- 1 = Equal
- 2 = Percent
- 5 = Flat Amount

Mass Mutual (and Review Board): would validation, as done in POV, need to be enforced if <Distribution Option> is present in message? Which data elements to include for validation?

February 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.

New Enhancements Reviewed:

IPS00584 – POV – Add Contract Value Qualifier

We need the 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.

No changes to the record layout, just added a code to the code list. We would like to add a code to the Contract Value Qualifier for Guaranteed Minimum Death Benefit to reported in the 1302 record in the Contract Value Amount (1,2,3,4, or 5). The code should be reported in the corresponding Contract Value Qualifier field. The Contract Value Amount would be Optional while the Contract Value Qualifier would be Optional/Conditional.

We have found that there are many policies where the current death benefit is much higher than the guaranteed death benefit. We would like to display this information to our advisors so they can make the determination if it would be beneficial to the client to exchange the policy in order to get a higher guarantee death benefit.

Today's status: This enhancement is under review

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

IPS00586 – IFW – CorrelationGUIDState

To support correlated inforce transaction processing our mutual clients has provided requirements that they would like to receive the CorrelationGUIDState property on the request message when applicable.

Add CorrelationGUIDState property as optional to the IFT schema. Note that this property is already supported in the ACORD 2.22 schema so it does not have to be added as an OLifEEExtension. This property can be added to all request and response messages where CorrelationGUID property is currently present.

The CorrelationGUIDState property is a type code property type. The available type code values are:

- a. 0 (Unknown)
- b. 1 (Initial Usage)
- c. 2 (Ongoing Usage)
- d. 3 (Final Usage)
- e. 2147483647 (Other)

Note that the Ebix implementation plans to support only type code values 1, 2 and 3 but all available code values could be supported by the schema.

When the CorrelationGUID property is present in the transaction request message, Ebix is planning to also pass an applicable value for CorrelationGUIDState.

Today's status: **This enhancement is under review**

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>.

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.

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

.DTCC systems are open to receive inbound files Monday through Saturday 1:00am – midnight.

Today, the current output cycles are as follows for POV, FAR and AAP in production.

Positions and Valuations (POV):

Mon – Sat: 4:00am; 6:30am; 8:30am; 12:00noon; 3:00pm and 6:00pm

Financial Activity Reporting (FAR):

Mon – Sat: 4:00am; 7:00am, 10:00am; 1:00pm and 4:00pm

Asset Pricing (AAP):

Mon– Sat: 4:00am; 6:00am; 9:00am; 12:00noon; 3:00pm; 6:00pm and 9:00pm

This enhancement request is to add an additional output cycle for all three services at 2:00am (est). This would provide sufficient time for Morningstar to process and upload the feeds to their system so that the advisors will see the updated data at the earliest.

Today's status: **This enhancement is under review**

03/06/18: 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(est)) cycle transmission. In addition, all

submitters of this data are to be prepared to accept any rejected transactions at the earlier cycle transmission time.

Note: during this discussion, it was mentioned if all batch output cycles could be removed and all data files process and transmit to their destination when received by DTCC.

This would require DTCC to change its batch processing cycling structure, no longer aggregate output client data and require all clients to prepare to accept many, many more output files throughout the day with no set time output schedule.

IPS00588 – ATT – Add Attachment Type Code

A change was made to the validation of attachment requests on or immediately after 2/16 which is causing a lot of rejects because of special characters in the form name and the TC code used for the attachment type.

No record changes, just schema validation changes. Prior to the change, the TC value could contain any numeric value. After the change, the TC code was limited to a very small subset of the ACORD AttachmentType codes, specifically the IRI STP Form list and a few others. This is causing many rejects for type codes that were valid prior to the change (e.g. 7, 60, 56, 506) that are no longer valid. I recommend to increase the scope of allowable values to the defined enumerations in the latest version of the ACORD standard.

Second recommendation is to relax the constraint on the FormName element within the FormInstance of the Attachment request. Prior to 2/16 apostrophes (') and other typical special characters were allowed in the FormName. After 2/16 the valid characters were limited to the following list [0-9A-Za-z* @ . , _ / % \$ () + : -], minus the brackets. I would recommend rolling back the change to the prior validation, or at least adding the following to the list:

- Apostrophe (')
- EN DASH
- Grave Accent (Hex Code: ` Decimal Code: `)

Today's status: **This enhancement is approved for an off-cycle release**

Due to DTCC's technology review of web services and web applications, it was identified the Attachment Processing application was not validating Attachment Types against the pre-defined acceptable code list values included in the DTCC schema and Attachment Implementation Guide. In addition, a character set review removed several free format character types. These changes have caused negative impact to our clients and service providers as the reinforced restrictions caused rejected attachment messages that processed successfully prior.

The review board reviewed and agreed to a list of expanded Attachment Types to add as acceptable values to the Attachment Processing schema and Implementation Guide. This change will go into PSE (test) and Production as an off-cycle release due to the impact to our clients and service providers. This change will also expand the acceptable character set to include: Apostrophe, Hyphen, Grave Accent and Question Mark.

Discussion Items:

- TLS Upgrade Support (web services – complete before July 1st)
 - Getting to version 1.2
 - Production TLS upgrades will occur in May 17th and June 21st.
 - Clients should notify Insurancepm@dtcc.com , at least 10 days in advance of the above dates to schedule their upgrade.

Important Note: Due to the importance of mitigating the risks associated with TLS version 1, DTCC will upgrade all client web services URL communication to TLS version 1.2 by June 21st.

- 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

Next Call:

April 3, 2018 @ 2PM.