

Financial Activity Reporting (FAR) Suggested Usage

This document provides suggested usage for reporting transaction activity unique to the life business on the FAR file.

Transaction	Description	Suggested Usage
Face Decrease Charge	A charge applied to a policy when the policy owner has a significant decrease in the policy face amount after the commission charge back period.	The charge should be reported as an 'Adjustment – Value' transaction, FAR Transaction Code of '28'.
Outstanding Loans at time of Death, Surrender, Lapse	A policy has an outstanding loan at the time a Death, Surrender, Lapse, or other transaction that causes the policy to become inactive.	Two FAR transactions should be reported for this situation. The loan should be reported as a 'Loan Repayment' transaction, FAR Transaction Code of '415', and the Death, Surrender, Lapse transaction should be reported as the balance after the loan.
Partial Accelerated Benefit Claim	A periodic benefit payment to the insured, payable on specific products that allows the death benefit to be prepaid for expenses such as Long Term Care incurred by the insured.	Periodic payments to the insured should be reported as a 'Systematic Withdrawal' transaction, FAR Transaction Code of '50'.
Rider Death Claim	A policy with a rider for another life that pays a benefit upon the death of the life on the rider (such as a child rider).	Payment to the insured upon the death of a life covered by a rider should be reported as a 'Death Claim', FAR Transaction Code of '23', and a Policy Status Code on the '4301' record of 'OD'.
Waiver of Premium Payment	An option available on life policies to waive the premium if the policy owner becomes disabled.	Waiver of Premium Payment transactions should be reported as a Premium – Subsequent transaction, FAR Transaction Code of '78'.
Automatic Premium Loan Payment	A feature available on whole life and universal life policies that will automatically apply a loan to pay the policy premium if the premium is not received by the owner within a certain period of time.	Two transactions should be generated for an Automatic Premium Loan; a Loan Payout transaction, FAR Transaction Code of '42' and a Premium – Subsequent transaction, FAR Transaction Code of '78'.