

## **Licensing & Appointments Carrier Reject Processing Rules:** **Update: 10/24/07**

### **Reject Processing Rules:**

The following standard usage describes the way firms should process rejects if they have an automated reject process in place via the DTCC Licensing & Appointment product.

### **Transaction Level Rejects:**

Transaction Level rejects are cases in which a Carrier has to reject the entire transaction due to a producer level issue not caused by the license and/or appointment request itself. In this case, all license and appointment requests would reject. The Carrier is expected to send back the transaction using the transaction type received from the distributor (ex - LI, LA, AI or AA). The Carrier will use the 53-01 (Producer Entity Record) to indicate the reject status (REJ in Field 6104 - Transaction Status) and the applicable reason (Field 6105 - Transaction Reason Code).

### **License/Appointment Level Rejects:**

License/Appointment Level Rejects are cases in which a Carrier has to reject either all or a portion of the transaction due to specific license and/or appointment related reasons. The Carrier is expected to send back the transaction using the AC (Appointment Confirmation) transaction type. The Carrier will use the 53-13 (Appointment Line of Authority) to indicate the reject status (Field 6601) and the applicable reason code (Field 6602). Since the Carrier is ultimately issuing an Appointment, regardless if the request was an LI, LA, AI or AA, there is only a need to send back the 53-13 (Appointment Line of Authority Record). The 53-12 (License Line of Authority) record does not need to be used for the AC transaction.

### **Additional Edit Rules:**

The DTCC rules currently require the Carrier to send all records that the Distributor is required to send. Therefore, the Carrier will be expected to send back all records that they received in the initial transaction.

**Example #1**

**Distributor sends AA with 2 Appointment Requests.**

Distributor sends AA:

50

52

53-01

53-02

53-03

53-04

53-11 – Appointment 1

53-12

53-13

53-11 – Appointment 2

53-12

53-13

**Carrier rejects AA due to transaction level reject.**

Carrier sends AA:

50

52

53-01 – REJ status in 6104, applicable reason code in 6105

53-02

53-03

53-04

53-11

53-12

53-13

53-11

53-12

53-13

**Example #2**

**Distributor sends AA with 2 Appointment Requests.**

Distributor sends AA:

50

52

53-01

53-02

53-03

53-04

53-11 – Appointment 1

53-12

53-13

53-11 – Appointment 2

53-12  
53-13

**Carrier rejects both appointment requests in the transactions due to appointment level reasons.**

Carrier sends AC:

50  
52  
53-01  
53-02  
53-03  
53-04  
53-11  
53-12  
53-13 – REJ status in 6601, applicable reject reason in 6602  
53-11  
53-12  
53-13 – REJ status in 6601, applicable reject reason in 6602

**Carrier pends one appointment request and rejects one appointment request.**

Carrier sends AC:

50  
52  
53-01  
53-02  
53-03  
53-11  
53-12  
53-13 – REJ status in 6601, applicable reject reason in 6602  
53-11  
53-12  
53-13 – PD (pending) status in 6601\*, applicable reject reason in 6602

\*For the PD status, Carrier will be expected to respond with a second AC providing the final status.