Meeting Minutes –I&RS Review Board

CATEGORY	DESCRIPTION
Meeting Name:	DTCC I&RS Review Board
Facilitator	Jeanann Smith, Cory Stark
Scribe	Cory Stark
Date & Time:	May 7, 2019
Location:	Conference Call

Advisory Group Attendees

NAME	GROUP
Karen Mottley	ACORD
Sathya Srinivasan Monica Avery Narendra Dommaraju	AIG
Weusi Sharp	Albridge
Zach Nyberg Nate Strauman	Allianz
Carol Albright	Allstate
Susanne Kennedy	Athene
Dawn Maffiolini Daniel Avalos	Delaware Life
Cory Stark Jovani Munoz Jon Volpe	DTCC
Saul Herrera Bryan Holland Rich Sutphin	EBIX
Krystina Spohn Ryan Brown Stephanie Koop	Edward Jones
Jennifer Yerly Vicki Dees	Genworth
Inge Hadi	Great West
Adam Ducorsky Dave Lamphere	iPipeline
Sarah Mudge Rene Fedewa	Jackson National
Dan Falco	John Hancock
Rob Hosier	Lincoln
Sarah Baraff	M Financial
Joe Procacini	Mass Mutual
Charles Evans Mark Watermiller	MetLife / Brighthouse

Joseph Wengler Edward Casey	Morgan Stanley
Matt Myers	Nationwide
Matthew Sullivan	New York Life
John Gretz Sarah Seifert	Ohio National
Danny Smith Liz Moore	Pacific Life
Chad Turner	Principal
Susan Sanders	Protective
Thomas Tofil April Ramos Mark Schwartzman Michael Syrett	Prudential
Deb Hillebert	Security Benefit
Michelle Path Mike Grund	Sammons Financial
Shelley Wallace Kathi Carter Ryan Hoffman Deidre Birk	Stifel
Wendell Tobiason Chani Lu Jessica Nichols Alexandra Froyland	Symetra
Michael Sullivan	The Hartford
Truda Wodke Nancy Merryman Daniel Reiss Fran Forslund Emily Cole Brian Gossman	TransAmerica
Nick Jellings Anne Schoville Matthew Brant	Voya
Jeanne Adams-Taylor Jim Gilmore Gregory Searle Jonas Hellie	Wells Fargo

Meeting Minutes

<u>Enhancements Re-Reviewed:</u>

No enhancements were re-reviewed during this meeting.

New Enhancements Reviewed:

IPS00626 – LNA – Add New Training Course Type

To support the Best Interest requirement in the State of New York, carriers need a new course type to support the training completion being reported and represented for annuity and life training. There is a need to add this to the training vendor file that is sent to DTCC and reported to the insurance carriers and distributors on the LNA Training Update (TU) transactions.

When a producer completes the Best Interest training currently being created by the training vendors (RegEd, Kaplan, etc.), the training vendor will report the completion to the insurance carrier and/or distributor via the LNA Producer Training vendor file. DTCC will create a Training Update (TU) transaction and send to the receiving firm.

05/07/2019 status: In support of 'Regulation 187' for the State of NY, the review board agreed to add the "Best Interest" code to the LNA and LNA Producer Training Vendor files to support the Training Update (TU) transaction. The code will be represented as "B" for Best Interest.

This code will be included with the June Code List Release.

- Mass Mutual and the review board attendees agreed that the In Force "REP" transaction should also support a new reject value when a carrier rejects a REP request for invalid training toward Regulation 187.
    - Mass Mutual will identify the requirement needed to support this change to the REP confirmation and report back to the review board.

- RB question: Should "Best Interest Training Completion" also be added to the Producer Management Portal (PMP) TXLife 228 message?

The review board agreed the TXLife 228 message should be updated to support the Best Interest training. DTCC will align with ACORD to determine the best method to support this change with the ACORD model and the TXLife 228 message.

This change is expected to be implemented at a later date when additional ACORD model information becomes available to enhance the TXLife 228 message.

IPS00627 – COM – Add Payback Remaining Field

On annualized commissions, Nationwide has a need to report the remaining paydown amount left to secure toward the overall earned commissions. This field doesn't exist in the file layout today.

Paydown amount would apply to annualized commissions on Life insurance policies. Need to track the remaining commission amount to secure toward the annualized amount. Nationwide believes there could be a use case on advanced commissions but that isn't our need yet for the enhancement.

05/07/2019 status: The review board agreed to include this request as part of the September release. A new optional field named "Paydown Amount Remaining" will be added to the Commission 22-01 record in the current filler position beginning at 237 – 252 with a format of 9(14)v99.

The definition of the "Paydown Amount Remaining" field will be: The remaining commission amount to secure toward the annualized amount.

This enhancement will be included as part of the September 2019 release.

IPS00628 – POV – Move Daily Tracking Value

Nationwide has the need to support reporting multiple 'Daily Tracking Values' (DTV) on different index strategies. Currently, the DTV is passed on the Contract Valuation Record (13/02). Nationwide would like to move this from the 13-02 record to the 13-04 Guaranteed/Banding Record to support the representation to the index strategy being reported.

05/07/2019 status: The review board agreed with this enhancement request. A change will be made to remove the current "DTV" code from the Positions file's, Contract Value Qualifier Code List (item 3102). The enhancement will add a new field to the Position file, 13-04 record with the new field name "Daily Tracking Value". This will be an optional field and support one format as 9(14)v99. This new field will begin in the current filler location of 224 – 239.

The "Daily Tracking Value" field definition will be*: This value used for reporting values on Index Annuities, reports the interim value of the index crediting strategy(ies). Used for status and evaluation of contract provisions (interest at death, gains upon withdrawals).*

This enhancement will be included as part of the September 2019 release.

IPS00629 – POV – Add New Rate Type

On all Allianz's product lines utilizing an index allocation, including life, fixed indexed, and indexed variable annuities; there is an ability to lock in a current value of the index. Allianz currently tracks that value as a $ value in the POV. Existing lock features will lock in a dollar value, but Allianz needs the ability to communicate a

locked in % that will be credited on the next anniversary. Allianz's request is to add a new qualifier to the 13/04 record of the POV layouts to show consumers that an index allocation has been locked at a designated rate. New qualifier should only be used when communicating a locked in %, not a $ value.

05/07/2019 status: The review board agreed to add a new code to the existing "Deposit/Guaranteed Rate Type" (item 3155). The new code (IL) will represent an Index Rate Lock. Allianz provided the following definition for this code.

Definition: Index Rate Lock is the return of an index that has been locked in for crediting on the next Index Anniversary. Must be expressed as a percent.

This code change will be included with the June 2019 code list release.

Discussion Items:

- Holiday Processing – IFT (REP, BIN) – Wells Fargo

It was identified by Wells Fargo that BIN and REP was not distributed on Good Friday because this output is tied to ACATS. Since ACATS does not run on holidays, the BIN and REP output was also not distributed. We reviewed the holiday processing scenario with the review board. DTCC will leave the BIN and REP output as business as usual.

Distributors on the review board call said a DTCC application change to remove BIN and REP data output distribution from its alignment with ACATS was not necessary. Brokers said they would not process it anyway.

Therefore, on holidays, settlement product output and BIN and REP output will not be released for distribution to clients.

- Producer PII
    - Review Modifications
        - Optionally adding four (4) producer identifiers
    - Timelines
        - Align with September 2019 enhancement release

The review board asked if they can review this topic on the next (June) review board call. It was announced that both the executive and senior advisory boards approved the timeframe to make this change. There was concern on the amount of work needed by carriers to support all the changes necessary for Producer PII in addition to the enhancement requests applied to the September 2019 release.

The PII portion of the September 2019 release will include layout changes to add or confirm the following optional fields exist.

1. CRD Number
2. NPN Number

3. Distributor Assigned Agent ID
4. Carrier Assigned Agent ID

- September 2019 Enhancement Release
    - Producer Alternative Identifiers
    - Client Submitted Enhancement Requests

The review board requested to see the requirements for the September Release. DTCC said they will provide an overview document within the next 10 days. The review board also requested DTCC provide a complete September Release requirements document by the June 2019 review board meeting.

Due to the expected size of the September Release, the review board requested additional time for PSE testing prior to migration to production.

Next Call:

Tuesday, June 4th, 2019 at 2:00 – 3:30pm ET