

## Meeting Minutes –I&RS Review Board

<b>CATEGORY</b>	<b>DESCRIPTION</b>
Meeting Name:	DTCC I&RS Review Board
Facilitator	Jovani Munoz, Jeanann Smith
Scribe	Jovani Munoz, Jeanann Smith
Date & Time:	February 2, 2021
Location:	Conference Call

## Advisory Group Attendees

<b>NAME</b>	<b>GROUP</b>
Karen Mottley	ACORD
Lalitha Nagarajan Monica Avery Tracy Lane Denise Smith	AIG
Cindy Robeck	Allianz
Carol Albright	Allstate
Wendy Crane Michele Reece	American-Equity
Travis Misslin	Ameriprise Financial
Monica Clancy	Ameritas
Jonna Sandegren Meredith Reyna Trevor Braxton-Barto	Athene
Mark Watermillier	Brighthouse Financial
Kevin Lowe Larry Wilson Dusty Bergman	Broadridge
Amy Dingman	Cetera
Christine Phuong	Citizens Securities
Eric Kerns Nick Remy Alex Boettger	Cuna Mutual
Dawn Maffiolini Alisha Rickard	Delaware Life
Jeanann Smith Cory Stark Jon Volpe Jovani Munoz	DTCC
Saul Herrera Bryan Holland	EBIX
Krysti Spohn Griffin Brown Sue Pettit	Edward Jones

Alicia Watkins Daniel Surber Richard Sutphin Katie McIntyre Susanne Kennedy	Fidelity & Guaranty
Jennifer Yerly Brenda Brown-Morris Vicki Dees Christine W. Evans	Genworth
Ellen Lester	Global Atlantic
Kelly Cole	Infosys McCamish Systems
Steve Burk	Insurance Designers of Kansas City
David Desrocher	Insurance Technologies
Andrew McMorris Jay Rottenberk Adam Ducorsky Dave Lamphere	Ipipeline
Rene Fedewa	Jackson
Dan Falco Rolando Rodriguez Tina Jorge	John Hancock
Rob Hosier Dan Wilson Jesse Martin	Lincoln
Teresa Celsi	Mass Mutual
Carol Steele Angie Thompson Kelli Warner	Merrill Lynch
Sarah Baraff	M Financial
Joe Wengler	Morgan Stanley
Matt Myers Eric Dulaney Heather Rawlins Ali Deek Bob Lamb Valerie Curtis Venkat Tippiana	Nationwide
Matt Sullivan	New York Life
Nidhi Mehra-Kumar	Ohio National
Joe Procacini Liz Moore Danny Smith	Pacific Life
Mike McCombs	Principal
Amy Hamilton Susan Sanders	Protective

Mike Syrett Nancy Pica April Ramos	Prudential
Kristina Miller	Raymond James
Lindsey Kniebel	RBC
Michelle Path	Sammons Financial
Yusef Carrillo April Gross	Securian
Jeff Barnett Stephanie Cunningham	SE2
Shaya Scher	Simkowitz Co
Shelley Wallace Ryan Hoffman Kathi Carter	Stifel
Chani Lu Ryan Raftery	Symetra
Michael Sullivan	Talcott Resolution
Wendall Tobiason	Tobiason Consulting
Brian Gossman Emily Cole Fran Forslund Truda Wodke Dan Nancy Merryman	TransAmerica
Larry Nguyen	USAA Life Insurance
Matt Brant	Venerable Annuity
David Krawczyk Janina Buldrini	Voya
Jonas Hellie Carolyn Palmer Ben Daniels April Grover	Wells Fargo
Laura Mancini	WS Financial

## Meeting Minutes

### **Enhancements Re-Reviewed:**

IPS00660 – IFW – Increase Address Object Occurrences

In January's call, this enhancement was approved for the September 2021 Enhancement Release. However, there was an outstanding question for DTCC to review and determine impact to the IFT Access platform. IFT Access supports the data capture for Broker/Dealer of Record (& Custodial) changes, which are translated into a 113 message to the carriers. DTCC determined to review and bring back to the group on February's call. 2/2/21:

DTCC reviewed and determined modifications to IFT Access platform will be included as well in the September 2021 Enhancement Release.

### **New Enhancements to Review:**

#### IPS00662 – IFW – Add Joint Annuitant Role Code

AIG has a living benefit rider, when at the time of requesting income, allows a change to the lives types and covered person. This requires all participants roles be send back on the response, which includes the joint annuitant role.

Currently participant relation role code for Joint annuitant (183) is not supported and AIG needs this ability to receive and respond back the Joint annuitant role code on the VI messaging.

AIG is requesting to add the following code to RelationRoleCode on 21207 / 21209 / 21208 messages.

- 183 = OLI\_REL\_JOINTANNUITANT
- XPath = /TXLife/TXLifeRequest/OLifE/Relation/RelationRoleCode

The group reviewed this enhancement and approved to add code 183 = Joint Annuitant to 21207/21208/21209 messages. Additionally, to improve consistency and alignment between the messages, the group felt that this code should be added to other messages that supports the relationrolecode property, but does not support this code. DTCC will review what messages this code is currently not being supported in, and will add this new property to the other applicable messages.

**Enhancement approved for the next Code List Release**

#### IPS00663 – LNA – Modify Training Vendor File

DTCC receives training completions from six training vendors, via a simple CSV data file. DTCC takes this information and creates Training Updates (TU) transactions to the 'receiving' contra firm. This will be for both carriers and brokers.

There has been a request by a training vendor looking to not support the passing of the agent's SSN number. However, as part of the work completed by the clients in 2019, it was requested that the SSN continue to be supported on the 'vendor' file for business reasons. The vendor wants to send blanks and send the NPN instead. Today due to DTCC's edit, we are forcing the training vendor to pass all zeros (000000000) in the agent SSN field. It has been requested for the carriers to go back to their licensing teams to confirm the support of sending blanks, if the vendor does not have a valid SSN to send.

Based on the conversation during the January Review Board meeting, it was determined that an edit needs modified to allow producer's SSN – item #1019 to be blank (or spaces) if the National Producer Number (NPN) – item #1021 is populated. Edit modification will need to update only the inbound Training Vendor Input File. LNA Training Update (TU) transaction already has this edit in place.

The group reviewed the enhancement and agreed to modify the edit to allow SSN (#1019) to be blank (spaces) if NPN (#1021) is passed.

#### Enhancement is approved for September 2021 Enhancement Release

##### IPS00664 – IFT – Modify CAT Edit

When DTCC made the necessary modifications to remove the usage of Producer PII data from their services back in September 2020, it was determined that there may be a need to modify an edit when the carrier sends back a CAT/REP confirmation.

DTCC is noticing several CAT/REP transactions being rejected after the recent modifications to the Agent record due to the September 2020 release changes. Due to business reasons, DTCC is supporting the passing of the producer's SSN on the CAT/REP transactions within the Agent record, along with the NPN and/or CRD. On the confirmation coming back from the Carriers, inbound to DTCC, the edit does not allow the Carrier to send back the producer's SSN. This is regardless if the CAT is being ACK (acknowledged) or hard (HRJ) or soft (SRJ) rejected. The agent information is not passed to ACATS, so it is not needed even if the Carrier is rejecting the transaction.

Today, in the insurance data file received from ACATS, there is no CRD or NPN – since ACATS does not support these fields (at this time.) When the CAT transaction is created by I&RS to the carrier, there is a producer SSN and there will not be a CRD or NPN in the Agent Record. However, I&RS expects the CAT confirmation to have one of these. If the Carrier is rejecting, they may not know.

Several carriers on the call indicated they are removing (or blanking out) the agent identifier submitted on the reject and sending back the NPN and/or CRD that was submitted as part of the transaction request. This is for both CAT and REP confirmations.

Based on the conversation during the January Review Board meeting, it was determined that an edit needs modified to allow producer's SSN back from the carrier when the transaction type (7033) = CAT and the transaction status (7035) = Hard Reject (HRJ) or Soft Reject (SRJ). If Acknowledged (ACK), it will require an NPN and/or CRD to be present and no SSN will be allowed.

The Review Board reviewed the enhancement and approved to make the edit modification.

#### Enhancement approved for September 2021 Enhancement Release

##### IPS00665 – STL – Support Transfers to Distributors

There is a need to leverage Settlements for Insurance (STL) to send monies from the annuity contract, as a qualified transfer & direct rollover, to a qualified brokerage IRA account, as a trustee to trustee transfer.

This request is to modify the STL's edit (reject code = 612) to allow the file to send these monies between the insurance carriers and distributors.

Lincoln is suggesting to modify the following fields and edit resulting in error code 612 on STL record layouts.

1. Add to Transaction Type (2003) \*
2. Allow Payment Types 41 and Q4 to be supported
3. Modify the field name and definition on Receiving Policy/Contract Number ID (2016) or modify edit to Distributor's Account ID (2013) mandatory? \*

The Review Board reviewed the enhancement and feedback was mixed. It was unclear whether there is a need to either leverage transaction type, or send a new one. The group felt that a new transaction type should be sent that would represent "trustee to trustee". Additionally, there was discussion on looking to change the definition and requirements for STL transaction/Asset Transfer. Overall, there were many unknowns or uncertainties from the Review Board to move forward with this request. The group determined to put this enhancement on hold until further discussion on the next call.

**Enhancement on hold until further discussion**

IPS00666 – IFW – Add new code to Arrangement Mode (ArrMode)

In the DTCC schema, Arrangement Mode (ArrMode) for the 212 Values Inquiry (VI) response does not include the code for Weekly (6). It is present in the schema in the 107 arrangement request. This value could be possible in the carrier's admin system for an arrangement so it is requested that it be added to support the scenario when an arrangement is set up for a weekly occurrence and needs to be sent back on the 212 VI response.

The Review Board reviewed this enhancement and agreed to add this code. The code 6 – Weekly will be added to Arrangement Mode (ArrMode) property in 212 Values Inquiry message.

**Enhancement approved for the next Code List Release**

### **Discussion Items:**

Financial Activity Reporting (FAR) - Standard Usage Documentation; Usage of Transaction Effective and Process Date

DTCC informed the Review Board that there is currently bad data being received for FAR. The data is not consistent with the best practices/standard usage documentation that is on the website. There is a need to start a workstream to review the standard usage documentation and discuss the different types of transactions that would fall under certain categories of actions. DTCC will create a FAR task force and send out the invitation to those who volunteered. The feedback received from this workstream will be reported to the rest of the group, either in March's or April's Review Board call. If you are interested in participating, please send an email to [insurancepm@dtcc.com](mailto:insurancepm@dtcc.com).

Regulatory Notice – 20-38

Stifel is concerned of a potential impact from the regulatory notice 20-38. The new rule 3241 (Registered Person Being Named a Customer's Beneficiary or Holding a Position of Trust for a Customer) serves to protect investors by requiring all member firms to affirmatively address registered persons being named beneficiaries or holding positions of trusts for customers. The rule becomes effective February 15, 2021. Stifel is concerned that if there is a change in beneficiary in a contract, they would not know of it, and are therefore looking to get feedback from the Review Board. Members of the group were not aware of this change. After further discussion, it was determined that Stifel will reach out/follow up with the industry group regarding this notice.

#### Product Type Code Replacement – RXA and IVA

There is a need to re-visit discussion on product type code replacement between RXA versus IVA. Several members on the call informed that there is no RXA product type code on their end, therefore are only supporting IVA.

DTCC will be launching an Insurance Information Exchange (IIEX) workstream with a focus on index strategy reporting. This will be part of the discuss and review. Once that workstream is completed, scheduled for 8 weeks, the information will be brought back to the review board. If you are interested in participating, please send an email to [insurancepm@dtcc.com](mailto:insurancepm@dtcc.com).

#### Inherited Policies Owner Name Format

The group ran out of time to review in full detail. This will be added to the March's review board for discussion.

#### **Next Call:**

Tuesday, March 2<sup>nd</sup>, 2021 at 2:00 – 3:30pm ET