

Meeting Minutes –I&RS Review Board

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

Advisory Group Attendees

NAME	GROUP
Karen Mottley	ACORD
Tracy Lane Denise Smith Raja Perumal Ramachandran	AIG
Weusi Sharp	Albridge
Cindy Robeck	Allianz
Carol Albright	Allstate
Wendy Crane Michele Reece	American-Equity
Travis Misslin	Ameriprise Financial
Scott Roskilly	Athene
Kevin Lowe	Broadridge
Yolanda Austin	Bulldog
Amy Dingman	Cetera
Christine Phuong	Citizens Securities
Eric Kerns Nick Remy Cathy Weidman Tamara Cuvelier Jentry Miller	Cuna Mutual
Alisha Rickard	Delaware Life
Jeanann Smith Cory Stark Jon Volpe Jovani Munoz Patrice Gantt	DTCC
Saul Herrera Bryan Holland Suzanne Dorman	EBIX
Krysti Spohn Sue Pettit Ryan Brown	Edward Jones

Alicia Watkins Daniel Surber Richard Sutphin Susanne Kennedy	Fidelity & Guaranty
JoAnn Booth Katie McIntyre	Fidelity Insurance Agency
Jennifer Yerly Brenda Brown-Morris Vicki Dees Christine W. Evans	Genworth
Ellen Lester	Global Atlantic
Michael Sceifres	Great American
Steve Burk	Insurance Designers of Kansas City
David Desrocher Katherine Dease	Insurance Technologies
Andrew McMorris Jay Rottenberk Ana Doucet	Ipipeline
Rene Fedewa	Jackson
Dan Falco Tina Jorge	John Hancock
Rob Hosier Dan Wilson Jesse Martin Rachel Smith	Lincoln
Teresa Celsi	Mass Mutual
Carol Steele Kelli Warner	Merrill Lynch
Kelly Dinville Mark Watermillier	Metlife
Sarah Baraff	M Financial
Joe Wengler	Morgan Stanley
Nick Jellings	National Western
Eric Dulaney Ali Deek Bob Lamb Chris Saggio	Nationwide
Matt Sullivan	New York Life
George Wang	North Western Mutual
Nidhi Mehra-Kumar	Ohio National
Joe Procacini Liz Moore Danny Smith	Pacific Life
Lachadra Mason Hans Schemmel Peter Banach	Pershing

Amy Hamilton	Protective
Kristina Miller	Raymond James
Lindsey Kniebel	RBC
Carissa Dove	RW Baird
Michelle Path	Sammons Financial
Rene Ostrea	Schwab
Kelsey Schnabel	Securian
Jeff Barnett Jennifer Kennedy Akhil Ahuja	SE2
Shaya Scher	Simkowitz Co
Shelley Wallace Kathi Carter	Stifel
Chani Lu Andrew Lombard	Symetra
Wendell Tobiason	Tobiason Consulting
Brian Gossman Emily Cole Truda Wodke Dan Nancy Merryman Rosario Paget	TransAmerica
Matt Brant	Venerable Annuity
David Krawczyk Janina Buldrini Kristi Patterson	Voya
Jonas Hellie Carolyn Palmer Ben Daniels	Wells Fargo
Laura Mancini	WS Financial

Meeting Minutes

Enhancements Re-Reviewed:

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.

3/2/2021:

DTCC gave an update on this request. DTCC had an initial internal discussion with the ACATS team to look into an opportunity in moving forward with this request however, there is a need to have follow-up discussions with them to get a better understanding on the approach to take. DTCC suggested putting this enhancement on hold until further conversations to which the Review Board agreed. This enhancement will be placed under the "On Hold (Pended for Future Review)" section on the website.

Enhancement on hold until further discussion

New Enhancements to Review:

No new enhancement requests

Discussion Items:

Inherited Policies Owner Name Format

There is a need to re-visit this item. Back in December of 2020 a standard usage was established on passing the inherited IRA's name a non-natural given the length of the name. Today, Symetra is running into issue when using X = Non-Natural Entity Name Indicator (item# 3815). Current edit in place reads, when item 3815 is X = Non-Natural, then Party Non-Natural Entity Date Qualifier (item# 3814) is required. However, none of the qualifiers available in the code list today would be valid for Symetra to use since the inherited owner is natural and the date being used is their date of birth. This is causing rejects on their end.

DTCC suggested to two options: the first – to add a new qualifier to the code list that meets Symetra's need, or second – modify the current edit in place. The group discussed the suggested changes and several on the call believed that adding a new qualifier, one that represents decedents' date of birth, would be the best approach to resolve the issue. However, others on the call strongly disagreed and believed that an edit should be made to the field, Party Natural/Non-Natural Entity Name Indicator (item 3815), to allow for a new indicator – P = Person Name/Person Natural – this way firms have a choice of a new indicator in the event that, N = Natural or X = Non-Natural, are not the best option. The

Review Board discussed but there were concerns with this approach as well. Several members believed that rather than adding a new qualifier or modifying a field/edit, instead a new field altogether should be created. The new field would support reporting of first name (3804), last name (3803), date of birth (3811), etc. Many on the call believed this could be the best approach however, there isn't enough filler space available to add the new field.

The Review Board were unsure of what the best practice would be for these cases. It was determined that the group will re-visit this internally to gather more information and bring back the next month. Further discussions in April's call.

Potential March 2021 Code List Release (PSE – March 18, Production – March 25)

Back in February's call, there were two enhancement requests approved to add 183 = Joint Annuitant code to the relationrolecode property, and 6 = Weekly code to the ArrMode property, both to the VI messages. On that call, it was also suggested by the Review Board to add these codes to all other applicable messages that do not support the codes today to improve alignment of messages. Additionally, it was also suggested to not only align Joint Annuitant role code in all other applicable messages, but also align all other unique role codes to each message so that the list of allowed values are the same. DTCC took this back and put together a document with the list of the codes that would need to be added. DTCC brought this up to the group in today's call and reviewed the list of codes to be added. The group believed that adding all the codes would be unnecessary and only should be added if requested for a certain use case. The group agreed to only add 183 = Joint Annuitant and 6 = Weekly to all applicable messages and not to add all other unique values. The Review Board approved the changes to be part of the March 2021 Code List Release with PSE scheduled for March 18, and production scheduled for March 25.

POV – Reporting Same Index Fund with Multiple Renewal Dates

In the positions file, when reporting same index funds with multiple renewal dates, there is a need to further define these funds to make it unique. The uniqueness of the funds with multiple renewal dates will help distinguish one from the other. On the call, DTCC suggested firms populate Sub Fund ID to identify the different renewal dates. DTCC also questioned the group whether this should be reported with a single 13/03 record and multiple 13/04 with different renewal dates. The group discussed and agreed that the funds should be reported in that way and will make it unique. However, there was a concern for carriers who currently do not send 13/04 records to their distributor partners today. The Review Board determined that in these cases, carriers will need to send two 13/03 records to make it unique.

Producer Management Portal (PMP) – Distributor Affiliation Validation

There is a need to get better understanding from the Review Board regarding Producer Management Portal (PMP) – Distributor Affiliation Validation. A document with a list of steps for PMP – Inquiry Validation was shared to the group to review and provide feedback if that is the process to follow. Below are the 8 steps discussed.

1. Requestor initiates training inquiry for training via the Portal or 228 B2B message.
2. I&RS receives inquiry and validates user credentials as a carrier and/or distributor.

3. DTCC Producer Management Portal database receives inquiry.
4. DTCC validates if the message is a 22814 (Portal: Is the Producer Trained?), if so, DTCC will validate if the Carrier is leveraging the State Master table which is maintained by DTCC to track the individual states adoption of the training requirements at both the product and state level.
 - a. If the Carrier follows the DTCC State Master table, and state requires training; proceed to step 5.
 - b. If the carrier requests all training to be checked regardless of the state adoption; return a message "State Does Not Require State or Product Training" and processing is complete. Hard Stop
5. DTCC locates Producer (SSN look up.) If the producer is found, continue to step 6. If not found, return of an error message "Producer Not Found". – Hard Stop
6. Verify distributor affiliation – match submitting distributor with producer's affiliated distributor which is based on the distributor's DTCC participant ID populated by the Insurance Carrier in the stored LNA PR. If distributor affiliation matches, then proceed to validating state and product training in step 7 & 8. If distributor affiliation does not match; return an error message of "Distributor Affiliation Does Not Match/Exist." – Hard Stop
7. Validate State Training
 - a. Locate appropriate state code; pull the State Training Satisfied Indicator and State Training Satisfied Reason code, if appropriate. Build response for state training and continue to product training inquiry.
8. Validate Product Training
 - a. a. Locate appropriate product CUSIP; pull the Product Training Satisfied Indicator and Product Training Satisfied Reason code, if appropriate. Build response for product training and return inquiry to originator.

The feedback received from the group was mixed. After further discussions, it was determined that DTCC will reach out to the carriers listed in the document.

Next Call:

Tuesday, April 6th, 2021 at 2:00 – 3:30pm ET