



## Meeting Minutes –I&RS Review Board

<i>Category</i>	<b>DESCRIPTION</b>
Meeting Name:	DTCC I&RS Review Board
Facilitator	Jovani Munoz
Scribe	Jovani Munoz
Date & Time:	October 5, 2021
Location:	Conference Call

### ADVISORY GROUP ATTENDEES

<b>NAME</b>	<b>GROUP</b>
Karen Mottley	ACORD
Monica Avery	AIG
Weusi Sharp Scot Hosler	Albridge
Travis Misslin	Ameriprise Financial
Monica Clancy	Ameritas
Jonna Sandegren Hata Tursunovic	Athene
Henry Henderson Angie Thompson	Bank of America
Kelly Dinville Rajni Chanshetty Mark Watermilller	Brighthouse
Kevin Lowe	Broadridge
Yolanda Austin	Bulldog
Amy Dingman	Cetera
Jovani Munoz Jon Volpe Jeanann Smith Cory Stark	DTCC
Suzanne Dorman Bryan Holland	EBIX
Ryan Brown Brandon Slotness Rob'n Stanley	Edward Jones
Danielle Gordon Matt Springer	Envestnet
Daniel Surber Richard Sutphin Alicia Watkins	Fidelity & Guaranty

JoAnn Booth Katie McIntyre Nate Brooks	Fidelity Insurance Agency
Jennifer Yerly Brenda Brown-Morris Vicki Dees	Genworth
Ellen Lester	Global Atlantic
David Desrocher	Insurance Technologies
Andrew McMorris Dave Lamphere Ana Doucet Denise Madigosky Adam Ducorsky	Ipipeline
Rene Fedewa	Jackson
Dan Falco Tina Jorge	John Hancock
Cynthia Eggebeen	Kaplan
Dan Wilson Rob Hosier	Lincoln
Sarah Baraff	M Financial
Joe Wengler Kennedy Arockiam George Smoudianis	Morgan Stanley
Kim Brachtel Amit Godbole Katie Bircher Nick Topalian Andrew Kimbril	Mutual of Omaha
Eric Dulaney Matt Myers	Nationwide
Matt Sullivan	New York Life
Binny John	Northwestern Mutual
Liz Moore Joe Procacini Danny Smith	Pacific Life
Mike McCombs	Principal
Amy Hamilton Susan Sanders	Protective
Michael Syrett	Prudential
Lindsey Kniebel	RBC
Michelle Path	Sammons Financial Group
Kevin Norby Yusef Carrillo	Securian
Jeff Barnett	SE2
Shaya Scher	Simkowitz Co
Wendell Tobiason Mary Heimlich	SparkIPS

Kathi Carter Shelley Wallace	Stifel
Chani Lu	Symetra
Michael Sullivan	Talcott Resolution
Dan Reiss Truda Wodke	Tata Consultancy Services
Brian Gossman Emily Cole Fran Forslund	TransAmerica
Mac Etugbo	USAA
Corey Skadburg	Venerable Annuity
David Krawczyk Janina Buldrini	Voya
Jonas Hellie Ben Daniels Carolyn Palmer April Grover	Wells Fargo
Chad Beck	Western Southern

### Meeting Minutes

#### Enhancements Re-Reviewed:

##### IPS00679 – ATT – Add New Property

There is a need to support the delivery of multiple contracts/policies to be replaced within a single carrier to carrier Attachment message.

The current carrier to carrier Attachment suggestion best practice is to pass the ceding carrier number in the Policy Number field, and the receiving carrier's policy number within the Document Contract Number (DCN) field.

Policy Number	Enter the ceding carrier's policy number with no trailing spaces. Trailing spaces can impact the carrier's processing in recognition of the policy number.
Document Control Number	Enter the receiving carrier's policy number with no trailing spaces. Trailing spaces can impact the carrier's processing in recognition of the policy number.

If multiple contract/policy number(s) are being replaced, the expectation is that multiple TXLife messages are sent (one holding with one FormsInstance). There is expectation that multiple Attachment messages are passed to support the multiple replacements since they are worked

separately. However, the usage of the DCN is not the best place to put this information since it is using an existing property for a different reason based on the definitions of the Policy number property. The data dictionary description is below:

<p><b>PolNumber</b> This is the policy/contract number assigned by the insurance carrier.</p> <p>If the PolicyNumber not known by the sender, the Holding aggregate should still be sent with the CUSIP and CarrierPartyId</p>	Holding.Policy.PolNumber	O	S
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Today, the Document Control Number (DCN) field is being used as a workaround. The DCN field is unique so fails the edit if reused.

10/05/21 status:

As recommended by the Review Board during the July 2021 board meeting, the full complement of suggested Attachments Processing change should be revisited. The current carrier clients of C2C attachments reviewed the original requirement requested by the IRI Replacement Task Force. This subgroup agreed these changes should be supported to enhance Attachments for Replacements. The pilot carriers will be prepared to support the expansion of Attachments Processing with the full complement of requested changes.

The following expanded changes are recommended to support the carrier to carrier Attachments for Replacements:

1. Add new property titled Prior Policy Number (**PriorPolNumber**) to the Holding/Policy object.
2. Add edit to new (**PriorPolNumber**) property that requires to be populated when Originating Transaction Type code = 127.
3. Add new property titled Prior Carrier Code (**PriorCarrierCode**) to the Holding/Policy object
4. Add edit to new (**PriorCarrierCode**) property that requires to be populated when the Originating Transaction Type code = 127.
5. **Modify the standard usage** for the Carrier to Carrier Attachment process to support the passing of the 'receiving' carrier's policy number be sent in the (PolNumber) field and the ceding carrier's policy will be passed in the (PriorPolNumber) field.
6. **Expand Attachment Access UI and Attachment B2B** to support populating the 'Owner' party as a 'Person' or 'Organization' when the Originating Transaction Type = 127. This field will remain as Optional.

7. **Modify Attachment Access UI and Attachment B2B** to support the above new properties when Originating Transaction Type code = 127.
8. **Modify Attachment Access UI** when the Originating Transaction Type code = 127.
  - a. Remove data entry field (CUSIP Number)
  - b. Remove data entry field (Document Control Type)
  - c. Remove data entry field (Document Control Number)
  - d. Remove data entry field (NAVA edoc)

The group reviewed the expanded changes and had no objection. Enhancement request was approved.

### **Enhancement approved for future release**

#### IPS00685 – POV – Add Contract Valuation Code

There is a need to provide the Advanced Premium Fund (APF) value to distributors on the POV file for Life policies. APF allows the policy owner to send in a lump sum of money which is set aside for the purpose of paying future payments on the policy. Money is withdrawn from the APF at set intervals to be added to the policy. It functions similar to a bank account in which a client can freely withdraw or add to the account. Currently, the value APF is not supported on POV, therefore distributors do not have a means of tracking the amount in the APF, short of calling in to the carrier or having an ad hoc report generated.

#### 10/05/21 status:

The group revisited this enhancement request, initially reviewed in September's call. It was made clear in last month's call that the Advanced Premium Fund value would not be labeled as a fund, but rather a bucket, to which was then renamed to Advanced Premium Deposit Account (AP). This enhancement request was put on hold to get a better understanding on how reporting this code would look like, whether possible changes would be needed to FAR, and if confirmations on FAR will be generated when reporting this value. DTCC reached out to firm and verified that confirmations are sent to policy owners on FAR when money is deposited into the AP, money is withdrawn from the AP, and when money is transferred to the policy from the AP. These funds going into the policy would appear on FAR as premium and therefore, no updates to FAR are required. The standard usage of this code is represented in below example:

Premium Due – 1/7/22  
 POV – AP balance on 1/6/22 - \$50,000  
 FAR – Premium Paid - \$20,000 on 1/7/22  
 POV – AP balance on 1/7/22 - \$30,000

The day that the funds are deducted from the AP to pay the premium, the POV would reflect the new AP balance.

The recommended change is as follows:

1. Add following code to the Contract Value Qualifier code list (item# 3102) on the Contract Valuation Record (13/02)
  - a. AP – Advanced Premium Deposit Account
    - i. Definition: Lump sum of money set aside for the purpose of paying future payments on a policy. Money is withdrawn at set intervals to be added to the policy.

The Review Board reviewed the revised enhancement request and approved to implement this code. Submitter of request was looking to have this code added prior to next code list release (November). DTCC will review internally, until confirmation, this enhancement will be part of the next code list release.

### **Enhancement approved for November 2021 Code List Release**

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

##### IPS00687 – POV – Add Prior Carrier Processing Location

Morgan Stanley informed that when working with an order entry platform, and esignatures on exchanges, there is a need to determine if both the receiving and ceding carriers support electronic signatures. The order entry platforms integrated Yellow Pages into their platforms to support the delivery and recognition of the processing center for the ceding carrier(s). It also shares the carrier's mailing address, support of DTCC attachments and settlement, etc.

There may be multiple processing locations associated with any given carrier depending on product type, associated policy numbers, etc. This may cause the distributor/FA to identify the wrong processing center location and associated processing attributes.

Therefore, there is a need for the carriers to identify and report, for each policy, the associated processing center to allow the order entry platform to know the attributes about the accepted exchange processing on any given exchange(s).

##### New summary of steps when new Processing Center field is passed on PVF

1. On DTCC PVF – as part of normal cycle, carrier sends policy Proc Center to distributor (New)
2. At distributor, during Exchange Order - FA chooses ceding carrier(s)
  - (FA doesn't need to "choose" Proc Centers because it is already known from step 1 PVF)
  - (Better FA Experience)

3. On DTCC APP - distributor sends ceding carrier policy along with its specific Processing Center ID to new carrier (better processing for new and ceding carrier)
4. At new carrier – they are able to work more efficiently because they have the exact processing center for ceding policy (better processing for new and ceding carrier)

Current State		
1	Order Entry	
2	FA Chooses Internal Exchange - With Intention to do Esign	
3	FA Chooses Surrendering Policy	
4	Using Surrendering Carrier Name or DTCC #, FA Search Yellow Pages	
		Carrier Proc Center 1
5	Yellow Pages Returns Multiple Processing Centers for FA to choose	Carrier Proc Center 2
		Carrier Proc Center 3
6	Some Lists of Processing Centers do not display unique Processing Centers features that the FA can discern (Ex FA Cannot tell the difference between 2 different processing center choices (Name is similar, Product Type is same etc.) thus causing wrong Processing Centers choices, NIGO's and missed opportunities for Esign, which is a negative experience for all parties.	

Proposed State		
A	Carrier starts populating new "Carrier Processing Center ID" on the PVF for each Position	
1	Order Entry	
2	FA Chooses Internal Exchange - With Intention to do Esign	
3	FA Chooses Surrendering Policy	
4	Using New " <b>Prior Carrier Proc Location</b> " on the PVF sent from the Carrier	
5	OE Process uses "Carrier Processing Center ID" and sends to Yellow Pages, Yellow Pages Translates "Carrier Processing Center ID" to their Internal Processing Center ID, and passes back the 1 correct Processing Center match, so that FA doesn't need to Choose	Carrier Proc Center 2
6	<b>This process reduces times the FA's has to choose a Processing Centers and make wrong choices causing NIGO's and missed Opportunities for Esign</b>	

The recommended change is as follows:

- Add new field to the 13/01 Contract Record.
  - Field name: Prior Carrier Processing Location
  - Length: 10 bytes (alphanumeric)
  - Optional

The group reviewed the requested change. Submitter of request informed that this field currently exists in the APP/SUB file today. The expectation is for carriers to populate this field on POV so that it can be passed on APP/SUB for new business. If fed on POV with accuracy, there is a better chance of getting it back on APP/SUB with accuracy. Members on the call were shown the current state process of when a distributor/FA selects a processing location, which often times is incorrectly reported as there is no clear sense of what processing location to choose from. However, the proposed state process allows FA's to know the correct processing center with this new field, reducing NIGO's and missed opportunities for esign. The Review Board group discussed the request and agreed to add this field to the POV file.

### **Enhancement approved for future release**

#### **Discussion Items:**

##### POV: Discuss Standard Usage on Reporting Contract Value for Indexed Funds and Products

When reporting on Index Annuities (Fixed Index; Registered Index; & Index Variable), multiple values can be sent on the Position and Valuations (POV) file. The following values may be passed for these types of products during the index period:

- **Total Contract Amount (CR)** – gross contract value at valuation date, before loans, fees, or any other charges. For life policies and applicable annuities the amount includes any applicable rider cash value.
- **Guaranteed Value (GV)** – on reporting value on Index Annuity contracts, this value represents the guaranteed/minimum value of an Index Annuity contract as defined in the terms of the contract. It may be higher or lower than the accumulated value.
- **Daily Tracking Value (3317)** – at the Underlying Fund level, the daily tracking value allows the value to be passed used for reporting values on index annuities, reports the interim value of the index credit strategy. Used for status and evaluation of contract provisions (interest at death, gains upon withdrawals.)

Research was conducted on carrier's reporting of the value of these products. Research showed a number of carriers indicating that values that roll-up to contract value can change daily as opposed to only at specific times. Other carriers indicated the opposite, only at specific times. Many of these carriers reported that they send Total Contract Amount (CR) as the Contract Value to broker dealers. Based on these reporting, there is confusion as to what the best practice is. Members on the call shared their process of reporting a contract value, which is overall by product design, based on how their internal systems work. There was no clear direction as to what the best practice should be. This item will be brought up on the IRI/ACORD call for further discussions.

##### Carrier Control Table (Attachments and IFT):

- Is there interest to make available the carrier's input of their 'Associated Carrier ID'?



Currently, transactions coming from Access platforms (Attachments and IFT/BDR) do not support the Associated Carrier ID option. This is supported today in LNA Access as optional. DTCC is looking to know if there is interest to make available the carrier's input of their Associated Carrier ID for Attachments and IFT as well. It was determined that there is no interest in moving forward with this. Associated Carrier ID will not be supported in Access platforms (Attachments and IFT/BDR) until requested by a firm.

#### DTCC B2B Web Service (XML) Capabilities

- Kickoff meeting scheduled for November 30th @ 1:00pm – 2:00pm ET

This item was first brought up in July's Review Board call, in which DTCC has been looking for the insurance industry to move off SOAP XML messages for B2B services (including Attachments, In Force Web Transactions, and Producer Management), and leverage REST APIs for these business critical transactions. DTCC was looking to collaborate with clients that have both the functional expertise to prioritize design choices for these new capabilities, and a high degree of influence within their firm to drive decisions and adoption. DTCC had previously sent an email with details of this initiative and request for client commitment. A couple of firms reached back confirming their participation and so, DTCC set up a kickoff meeting scheduled for November 30<sup>th</sup> at 1pm (ET). Members on the call were informed that client participation and commitment will be critical to ensure proper sequence of the initiative to drive the most client value. DTCC is looking for additional participation and informed the firms that if they'd like to be a part of this initiative and call, they may contact DTCC.

#### Reminder: Reg SCI Testing Weekends

- October 23-24

DTCC reminded the group of this year's Reg SCI weekend testing. As of now, 2 of 3 weekend testing have been completed. The next and last weekend testing will take place on October 23-24. On that date, DTCC production systems will be unavailable between the hours of 5am Saturday and 8am Sunday (EST). No files should be sent during these times as they will not process. The Important Notice has been posted – [A#9006](#) – NSCC Business Continuity and Disaster Recovery Testing Dates. Please refer to the posted notice for more information regarding the modified production processing schedule.

#### **Next Call:**

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