



ACATS/IPS

What is ACATS/IPS?

ACATS/IPS is a new service that enables broker/dealers to provide insurance carriers with information regarding broker/dealer changes for insurance products, beginning with annuities. As a result, the broker/dealer change process for annuities can occur at the same time as for all other securities in a customer's brokerage account.

ACATS/IPS is a combination of two DTCC services:

- **ACATS**, the Automated Customer Account Transfer Service, automates and standardizes procedures for the transfer of assets in a customer account from one brokerage firm or bank to another.
- **IPS**, the Insurance Processing Service, automates and streamlines the sale, servicing and back office processing of fixed and variable annuities and life insurance.

Since insurance carriers cannot access ACATS directly, a new IPS product, Inforce Transactions (IFT), will facilitate the process between ACATS and IPS. Both ACATS/IPS and IFT are subject to SEC approval.

Benefits

Combining the advantages of ACATS and IPS enables participants to:

- **Increase Efficiency**
Eliminate manual processing and simplify the notification of broker/dealer changes between distributors and insurance carriers. ACATS/IPS is a streamlined, paperless process that reduces the amount of time it takes to complete a broker/dealer of record change.
- **Improve Customer Service**
Enable distributors to better serve their customers and improve satisfaction by eliminating the manual broker/dealer change process for annuities. ACATS/IPS will increase the speed and accuracy of these transactions. As a result, broker/dealer changes can be included in distributors' standard practices for automating a unique, manual process.
- **Eliminate 'Lost' Annuity Contracts and Revenue**
Minimize the opportunities for inaccuracies and reduce the length of time an annuity is not being serviced by the receiving broker/dealer. The automated nature of the system delivers communications efficiently between broker/dealers and carriers.

Features

ACATS/IPS facilitates account transfers by electronically communicating broker/dealer change information between distributors and insurance carriers. Features include:

- **Automated Reporting**
ACATS/IPS provides an automated method of sending, receiving and tracking change instructions. Reports on the status of annuity broker/dealer changes are automatically delivered to carriers and distributors.
- **Standard Formats**
Distributors and carriers can move account information in more efficient and accurate manner by using standard formats.
- **A Safe, Controlled Environment**
Distributors and carriers can leverage DTCC's highly reliable and secure network to transfer assets.

How ACATS/IPS Works

Using a mainframe or Internet connection, broker/dealers and insurance carriers can electronically update broker/dealer of record changes. The following steps illustrate how broker/dealers and carriers utilize ACATS/IPS.

- To make a broker/dealer change, distributors follow the same steps associated with the transfer of other positions and securities using ACATS.
- Distributors provide the necessary information to ACATS during the 'Review Cycle'.
- ACATS takes the account information from distributors and forwards it to the IPS system for delivery to the appropriate insurance carrier via IFT.
- The insurance carrier receives the account information from IFT. The carrier reviews the information and then acknowledges it, rejects it, or requests additional instructions.
- Broker/dealer changes are acknowledged by the insurance carriers through IFT and sent back to distributors via IPS and ACATS. Items pending for more than 20 business days will be deleted and distributors will be required to handle these changes outside of DTCC.

Who can use ACATS/IPS?

Distributors* must be ACATS users in order to use ACATS/IPS. To be eligible to be an ACATS user, a broker/dealer must be both a participant of The Depository Trust Company ("DTC") and a member of the National Securities Clearing Corporation ("NSCC"), while a bank or trust company must be a participant of DTC. Insurance carriers must use the In-Force Transactions (IFT) Interface, which requires them to be members of NSCC.

*Eligibility for ACATS does not automatically imply eligibility for IPS and vice-versa.

Contact Us

For more information, please contact us at (212) 855-4477 or e-mail us at ips@dtcc.com. You can also visit our Web site at <http://insurance.dtcc.com>.

Insurance Services is a service offering of National Securities Clearing Corporation, a subsidiary of The Depository Trust & Clearing Corporation.