ANNUITYNET

Baseline Wizard Guide

AnnuityNet Platform
December 2013

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This guide is for the Baseline Wizard provided in the December 2013 release of the AnnuityNet Platform.

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TABLE OF CONTENTS

1 Introduction

This document provides a detailed definition of the baseline (standard) functionality required to support annuity products on the AnnuityNet ("AnnuityNet"). The target audience includes business and technical users working to enable their products on AnnuityNet. AnnuityNet is the online facility for distributors including banks, broker/dealers, wirehouses and third-party marketers where they can transact and manage their annuity business. This document deals with the area of functionality on AnnuityNet that captures and processes data necessary to issue new applications and sub-payments. *Baseline Wizard* is the term used throughout this document to refer to this standard functionality that draws upon product data provided by insurance carriers, displays it to end-users, and allows them to complete the order-entry task. It also describes options and modeling considerations required to accurately configure the product sold based on a carrier's product rules and settings.

Topics covered in this document include:

- Background information on the Baseline Wizard development in conjunction with industry standards
- Data capture philosophy
- Baseline Wizard web page flow
- Baseline Wizard product rule usage
- Baseline Wizard captured data elements
- Baseline Wizard product configuration options
- Interaction with Data Standards (NAVA ACORD PPfA, AnnuityNet Transaction XML and the DTCC New Business Feeds) including mapping of data elements to these standards
- Review of Baseline Wizard navigation
- Guide to notation used in the data mapping tables
- Review of subsequent premium payment wizard functionality
- Review of PPfA modeling considerations
- Glossary of terms
- List of acronyms

While the Baseline Wizard functionality allows a carrier to implement a robust product resulting in major improvements in the quality of business received from distributor partners, carriers may desire variations to the Baseline Wizard (such as adding or removing data elements, adding or removing screens, adding or removing business rules, etc.) in order to support their specific product features and processing requirements. These variations are split into two kinds:

- *Carrier Fields a la Carte (CFAC)*: these are well-defined common variations of data captures – they are well documented and the pricing is set
- *Work Requests* are less frequent requests that are dealt with on a case-by-case basis through work order requests.

The Baseline Wizard defines the functionality necessary to support a product on AnnuityNet. The end user of the Baseline Wizard is an authorized distributor user (financial advisor or rep, sales assistant, managers or back-office staff). The Baseline Wizard is not meant for use by the general public or by clients/consumers or by the staff of the carriers that have products available on the Wizard.

It is important to note that this document will be updated to correspond to our Engineered Release schedule and will include, if applicable, any updates to industry and EbixExchange standards.

For commentary, feedback or any additional questions please contact your EbixExchange Client Integration Services Project Manager.

2 Baseline Screen Flow

2.1 Background Information

The Baseline Wizard leverages the open standard ACORD *Product Profile for Annuities (PPfA) XML Schema* developed by the industry in conjunction with the National Association for Variable Annuities (NAVA). The PPfA XML schema is governed by ACORD XML schema modeling rules and philosophies and provides a means by which a carrier can articulate its products. ACORD Version 2.9.00 was released by ACORD in January 2003. In addition, NAVA developed an implementation guide for use by NAVA members that can be found at .navanet. .

As of May 2008, the version of the ACORD model and schema used by EbixExchange is Version 2.16.01.

The PPfA allows carriers to control and automate the information about their products used by vendors such as EbixExchange and other distributor partners. The Baseline Wizard defines how EbixExchange uses and applies that information to the Baseline Wizard. The Baseline Wizard also fills in any gaps where the PPfA is silent on product definition. Where the PPfA allows for a proliferation of interpretations of data or allows for free-form modeling, the Baseline Wizard defines a baseline set of functionality supported by EbixExchange. The Baseline Wizard and the PPfA are complementary pieces that fit together to deliver a complete solution to EbixExchange's partners.

2.2 Transaction Detail

The Transaction Detail HTML is a page that was made available with the February 2004 release of AnnuityNet. It contains all the data collected via the wizard as well as certain data from the PPfA. It is not configurable. It may be used by reps, compliance managers, operational personnel, etc., for a quick, ergonomic review of the application.

Caveat When new *named items* are created, they may appear in the Transaction Detail PDF. Carriers and distributors will be notified in advance when this will occur.

2.3 Baseline Screen Flow

The Baseline Wizard uses a *Baseline Screen Flow* – one that is common to all products and carriers on the AnnuityNet Platform. Screen flow here refers to the order in which data is gathered in the Baseline Wizard and is generally consistent across carriers. Please note that this screen flow is different from overall transaction or process flow in place at carrier and distributor back offices. The intention of the Baseline Wizard is not to digitize existing processes, but rather leverage the product information in order to create an ergonomic, efficient data collection and validation vehicle for users.

The Baseline Screen Flow also adds value to the distributors by creating a consistent user experience for financial advisors and representatives across products and carriers.   For these ultimate end users, the training costs are significantly lowered and transaction volumes are increased because advisors can focus on selling rather than learning different interfaces.

2.4   Baseline Wizard Data Capture and Use of Product Rules

The Baseline Wizard enables the collection and processing of annuity transaction information based on the product information provided by carriers. The product information provided in the PPfA and the Baseline Wizard are used in several ways. One set of product rules governs the pages displayed to the user; essentially that a data element captured on one page dynamically drives the page viewed on a subsequent page. For instance, selection of the service features drives pages specific to service feature data collection. If a service feature had not been selected, a service feature capture would not be displayed. Some product data is called on to populate the screens, such as fund availability. Product data is also called on at the end of the Wizard to ensure that all other product rules have been satisfied. Still other rules are invoked at the field entry level, where edits for number and types of characters are entered. Below is summary information on that data that is captured in the Wizard. Additional detail on data that is captured, as well as how each element is used can be found in the respective sections throughout this document and in the *Fields a la Carte* spreadsheet.

A licensed user will generally start a new application by clicking on the appropriate link/button on the Status of Business screen. They will first be asked to select a state, a carrier, and a product. Once this initiating step has been completed, the wizard is launched.   This document covers the Baseline Wizard from the carrier point of view. The Baseline Wizard captures and validates information required for processing an application and subsequent premiums at point of sale. Data captured for the application transaction includes:

- Plan type, owner type, and account designation selection
- Service program and rider selection
- Owner information collection
- Annuitant information collection
- Beneficiary information collection
- Money sources, payment methods, ceding institution and ceded contract details
- Service program information collection

Data captured for the sub-pay transaction includes:

- Carrier and product
- Contract number
- Investment option (Self-directed, Special DCA, Asset Allocation)
- Allocation instructions
- Money sources, payment methods, ceding institution and ceded contract details

2.5   Wizard Navigation

A navigation bar on the left portion of the wizard screens aids the user in navigating throughout the Baseline Wizard. The navigation bar is presented dynamically and represents links to the pages the user has previously accessed. The user will not have the ability to link to all pages immediately because screen flow is determined in part by values input during the transaction entry process.

When the user completes the entry process and submits a transaction, product rules are validated. User input that does not satisfy these rules is then displayed on the Transaction Error page. Error messages are grouped into categories and a description of the issue or problem is provided. The messages are displayed as links that, upon clicking, will display the page with the error. The user can edit the data and resubmit the transaction as errors are corrected.

2.6   Wizard Output

Once the data has been captured and validated, EbixExchange generates an electronic data feed that will be sent to the carrier's back-office system for processing. The electronic capture of vetted data and proper distribution of that data is the primary objective of the transaction wizard. EbixExchange transmits the data in one file format, the DTCC APP/SUB New Business File. In addition to capturing the data, this data can be used to pre-fill the application or other order entry forms. Complete information on forms is covered in the *Forms Implementation Guide.*

2.7   Modified Screens

The Baseline Wizard may not accommodate all service features, product rules, or administrative rules mandated by a carrier. To provide the carrier a means for incorporating their special features, the Fields a la Carte feature provides reusable configurations to the Baseline Wizard. Fields a la Carte greatly increases the range of service features and product or administrative rules that can be supported. The scheduling of a Fields a la Carte is tied the Engineered Release. See your EbixExchange project manager for details.

The Baseline Wizard represents a robust core functionality set that has matured over the course of years of development and industry support. Because of the immense complexity of exchange operations across a broad range of carriers and distributors – and the need to maintain a uniform and coherent user experience for the distributor, changes are typically not made to the Baseline Wizard. Requests to modify the Baseline Wizard will be considered on a case-by-case basis.

3 Baseline Product Rules

Product Rules are rules that impact the behavior of the transaction wizard on the AnnuityNet Platform. Some are integrated into the design of the wizard and therefore may not be changed, and some are configurable by the PPfA and/or Fields a la Carte. Product Rules may determine:

- Valid values for certain fields (for example, ZIP codes)
- Content of drop down fields and radio button groups (plan types, owner types, state availability, available service program and rider, etc.)
- Flow or content of other screens based on the choices made in certain fields (plan types, owner types, service program and rider election, etc.)

Field and content rules are applied on a page-by-page basis. A user may not move forward without a valid ZIP code. Similarly, only valid plan types, owner types, and states choices specified by the PPfA will be displayed. Other rules are only applied after the user is finished with data input and they **Verify** (validate before submitting the trade to the distributor for a suitability check or the carrier for processing) or **Submit** the transaction.

EbixExchange separates wizard product rules into four categories: Default Rules, Supported Rules via the PPfA, Supported Rules via Fields a la Carte, and Unsupported PPfA Rules. These are described in the sections below.

3.1 Default Rules

Default Rules are rules supported by the Baseline Wizard that may not be modified or configured without a modification work order and are part of the operational design of the platform, such as:

1. The annuitant must be an individual.

2. For new money, the tax year may be specified under the non-custodial IRA plan type and for any qualified retirement plan. If no tax year is specified, the tax year included in any generated forms or in the outgoing file to the carrier is defaulted to the current year. (For example, if the IRA was purchased before December 15th of the year the transaction is being completed, then the year 2007 must be specified or it will default to 2006.)

    ➢ Although tax year is optionally collected for custodial IRAs, the contribution limits are not enforced because the tax reporting is the responsibility of the custodian.

3. The term 1035 Exchange applies only to the exchange of non-qualified annuities and life insurance policies for other non-qualified annuities as described in Section 1035 of the Internal Revenue Code.

4. Investment allocations must equal 100% or must equal the total source dollar amount.

5. If the source allocation/withdrawal is specified in percentages, the target allocation must also be specified in percentages.

6. Selected source funds may not equal target funds for the same service program.

7. The source fund must equal one of the selected funds in the initial allocation for DCA and systematic withdrawal service programs.

8. For owner screens, selecting **Individual** generates the Natural Primary Owner screen; selecting **Trust** generates the Trust Primary Owner screen; all other selections will generate the Non-natural Primary Owner screen.

9. Zero dollar transactions are not allowed. For exchanges, transfers, rollovers and conversions, when an actual premium is not available, an estimated premium is required.

10. IRS contribution limits are enforced on new money transactions for qualified plan types as these limits change from year to year. These limits do not need to be included in the PPfA.

    The exception is when the account designation is Custodial, the platform does not vet for IRS limits on New Money premiums. Distributors are no longer limited by IRS limits on Custodial transactions.

11. ZIP codes are accepted in either *5 digit ZIP* or *5 digit ZIP + 4* digit code format. However, support for restricting input to one exclusive format (5 or 5 + 4) is not included in the Baseline Wizard.

12. Percentages for allocations can only be supported as whole numbers. For instance 10% is supported, whereas 10.91% is not. Percentages for the Interest Rate field (an optional Distributor Fields a la Carte election) may have fractions of a percent – that is, 10.91% is supported.

13. Dates use MMDDYYYY format; phone and social security numbers don't accept dashes or parenthesis.

14. The **Same As Owner** buttons on Joint Owner and Primary, Joint, and Contingent Annuitant screens function only for copying primary owner address information to these screens.

15. The ZIP code entered must be a valid ZIP code associated to the state specified in the address.

3.2   Rules Supported via PPfA

For each product a carrier must provide a validated PPfA which includes all the appropriate information and any desired configuration options. For more detail, please see the *NAVA/ACORD PPfA Implementation Guide* and Appendix D of this document. The PPfA supports the following rules:

1. State availability via the Jurisdiction element for product features and investment options. In rare instances where the existing PolicyProduct element in the PPfA is not sufficient to express a state availability condition, separate PolicyProduct elements may need to be created for the same CUSIP.

   Note Each PolicyProduct must be unique by Distributor (OrgCode) or Jurisdiction. For any PPfA, all PolicyProduct nodes must have the same CUSIP . AnnuityNet enforces one PPfA per product. Distributors may be linked to multiple PolicyProducts; however, the jurisdictions of those PolicyProduct nodes may not overlap, so for all the PolicyProducts to which a distributor is linked, they must have distinct jurisdictions. The JurisdictionApproval.EffectiveDate and ExpirationDates are not considered in determining the overlapping of jurisdictions across PolicyProducts.

2. Which distributors can sell which products

3. Which commission options are available for each distributor/product combination

4. Commission netting at the distributor, product, New Business/Subpay level.

5. Commission rate tables

6. Product, plan type, riders and service programs support minimum and maximum age restrictions

7. Product, plan type, riders and service programs support minimum transaction amount restrictions

8. Total number of funds, number of source funds, number of destination funds can be restricted

9. Concurrency restrictions at a simple level for service programs, riders and funds, but not supported at a more complex level

10. Maximum number of beneficiaries allowed for an existing contract role (i.e., up to 10 beneficiaries of a certain type)

11. Simple relationship and plan type-based restrictions – for example, restricting owners and annuitants by plan type, restricting joint owners to spouses for a non-qualified plans

12. Source fund and destination fund restrictions are supported (i.e., restricting destination funds for DCA to only variable funds)

13. Rules governing qualified plans or interaction of qualified plans with service programs, plan types and riders

3.3   Rules Supported via Fields a la Carte

Fields a la Carte provides field-level flexibility for carriers so that, for example, if a carrier requires prefixes to be captured for owners, a carrier can indicate this requirement and EbixExchange can quickly incorporate the modification into the wizard, forms and output. This capability allows carriers to quickly zero-in on important wizard elements that cannot be defined in the PPfA – and have those elements included in their wizards – so that carriers can customize their wizards to their individual requirements.

There are five main types of Fields a la Carte:

1. Fields *on* and *off* – predefined fields can be turned on or off based upon a carrier's requirements

2. Field re-labeling — in some instances, carriers may need to re-label fields

3. *Required* to *Optional* – in some instances, carriers may change a required field to an optional field

4. Change default value – this is most powerful when combined with turning that same field off – enables the carrier to require that rebalances be to the initial allocation

5. Money Source & Payment Methods – money sources available to a qualified plan may be restricted further than the Baseline Wizard defaults. Carrier-settled payment methods may be configured within certain limits. The Fields a la Carte modifications that are selected generally apply to all of a carrier's product wizards running Baseline Wizard. If a carrier has two product chasses and thus needs one set of Fields a la Carte modifications for the first chassis and a different set of Fields a la Carte modification for the second chassis, then two Fields a la Carte spreadsheets must be submitted and will be individually charged.

If an additional series of modifications is needed to satisfy a differing or conflicting set of wizard requirements, then an additional Fields a la Carte Option must be selected and implemented for this other set of products.

3.4 Unsupported Rules

Unsupported Rules pertains to any other rules, custom or otherwise, that do not fit in the first three categories. This includes rules that are not supported by the PPfA standard. There are, of course, many such rules, so we only highlight the most common ones:

1. Interaction of a selected service program option(s) or fund(s) with any other option within a service program or rider is not possible. Even though simple conflict or concurrency restrictions are supported within the PPfA (and by EbixExchange), there is no support for rules that restrict, for example, availability of funds for option A in service program B, if option C in service program D is selected.

2. Custom text, data or forms mapping or processing

3. Custom mapping between carrier codes and NAVA ACORD codes and DTCC codes

4. No custom data elements may be added or supported through the PPfA.
5. There is no support for allowing or restricting a sale when the residence state does not equal the solicitation state. This is not supported via default rules since carriers differ in their individual processing and implementation of this rule.

6. The PPfA Implementation Guide indicates that the rules apply to the "jurisdiction(s) where the product can legally be offered or sold," that is, the solicitation state. We cannot support rules based on residence state except as custom work.

7. No new or custom contract roles beyond what have been listed by NAVA ACORD are supported.

8. Annuitization date-based vetting rules are not supported in the PPfA.

9. EbixExchange's interpretation of money source terminology and processes is driven by our interpretation of the Tax Code and its usage by current distributors and carriers. This interpretation may be different from that utilized by a specific carrier or distributor.

10. Scheduling requirement variations such as a minimum delay for service programs is not supported in the PPfA.

11. Funding limits such as no more than 20% of initial premium may be applied to the one-year fixed fund unless Special Dollar Cost Averaging is selected are supported.

3.5   Exception Processing

There is no provision for real-time/one-time exception processing once these business rules have been deployed. Rules can only be enabled or disabled via the customization and change control process. No individual rule can be disabled to allow processing of a specific (or group) of transactions.

4 Guide to the User Guide

The following sections, beginning with section 6, describe the information that the Baseline Wizard captures on a screen-by-screen basis. This document should be read in parallel with the corresponding tabs in the *Fields a la Carte* and *Baseline Wizard Mappings* spreadsheets.

For each screen, the following information is provided in this document:

1. Description – provides information about intended usage of specific features

2. PPfA Configuration Options – highlights any options that are configurable through the PPfA standard

3. Fields a la Carte – highlights any fields configurable through Fields a la Carte

4. Considerations – based on customer feedback, a list of the desired custom features currently unsupported in the Baseline Wizard

The FAC tabs of the Fields a la Carte spreadsheet include the following columns:

1. Page – indicates which screen is being described

2. Field – the name of the data element

3. Field Label – the actual label text or a pseudo-xpath description of the PPfA data that populates this label

4. Field Type – indicates whether the field is display, radio, drop-down, text (data capture), etc.

5. Field Values – the actual field text or a pseudo-xpath description of the PPfA data that populates a radio or drop-down

6. Carrier Choice – indicates what actions are available to the carrier such as **ON?**, **OFF?**, or **Text Change**

7. Appearance Condition – indicates the circumstances under which the field appears

8. Field Required – for data capture fields, this indicates whether the field is required, optional, or conditionally required

9. Note – miscellaneous comments

10. Max Field Length – the maximum field length

11. Max Label Length – the maximum label length

12. Simple On/Off – this is the column where the carrier indicates for a simple (less expensive) data element that it should be turned on/off as part of the Fields a la Carte election

13. Complex On/Off – this is the column where the carrier indicates for a complex (more expensive) data element (or group of data elements) that it should be turned on/off as part of the Fields a la Carte election

14. R <> O – this is the column where the carrier indicates for a required (optional) field, that it should be changed to an optional (required) field as part of the Fields a la Carte election

15. Default Change – this is the column where the carrier indicates that the default radio button should be changed.

16. Text Change - this is the column where the carrier indicates a text change as part of the Fields a la Carte election.

17. Alternate Text – this is the column where the carrier indicates the new text as part of the Fields a la Carte election.

The corresponding tab of the *Baseline Wizard Mappings* workbook includes the following columns for all data capture elements (text, drop-down, radio):

1. Page – indicates which screen is being described

2. Field – the name of the data element

3. Field Values – the actual field text or a pseudo-xpath description of the PPfA data that populates a radio or drop-down

4. Label Values – the actual label text or a pseudo-xpath description of the PPfA data that populates this label

5. Named Item – a named item that can be used to access the data capture

6. AN Transact – a pseudo-xpath that describes where the data is placed in EbixExchange's AN Transact xml file

7. DTCC – indicates the DTCC item for the data

5 Plan Selection

5.1 Description

The Plan Selection screen is displayed after a user has selected a solicitation state, a carrier, and a product. The state selection restricts displayed carriers and products to those available in that specific state. Both carrier and product names are displayed in alphabetical order.

The Plan Selection drop down allows the user to select the qualified plan, account designation, and owner type for a contract. It also asks the NAIC question `Do you own any life insurance policies or annuities?` Also, if the solicitation state is California, it asks an over 60 freelook investment instructions question. If the compliance reporting package has been elected, then it also asks if the purchase is intended for a wrap account. For more details, please refer to the "Plan, Designation, Owner" tab of the *Fields a la Carte* spreadsheet and the "Qualified Plans, Owner Entity Type, Trust Type, Account Designation" section of Appendix D.

Qualified Plans – Valid plan type instances include but are not limited to IRA (Traditional, SEP, ROTH), Non-Qualified, 401(k), 403(b), etc. The appropriate plan type values for a specific product are derived from the values supplied by a carrier via the PPfA. The supported qualified plans are listed in the "Money Source Availability by Qualified Plan" table on the "Money Sources & Payment Methods" tab of the *Fields a la Carte* spreadsheet.

In some cases the selected plan types will have an impact on future screens. For instance, a 1035 exchange is only available for a non-qualified transaction, and hence its availability is limited to non-qualified plan type.

Account Designation – indicates how the ownership of the contract is to be registered - valid values include: Owner, Self-Directed, Trust, Custodial, UTMA/UGMA, and Joint. (For the definition of these designations, please refer to the "Qualified Plans, Owner Entity Type, Trust Type, Account Designation" section of Appendix D)

Owner Type – a valid contract owner type – instances of valid ownership type include but are not limited to Individual, Corporation, and Trust

The Florida license number will be captured if the solicitation state is Florida.

5.2 PPfA Configuration Options

Available combinations of qualified plan, account designation, and owner type are defined in the PPfA.

5.3 Fields a la Carte Configurations

Illustration confirmation number data capture may be enabled. If elected, this data capture's appearance can be controlled via PPfA.

5.4   Considerations

The carrier must ensure that all qualified plan types are mapped back to the appropriate carrier product forms. (Forms mapping is a carrier responsibility and outlined in the *Forms Implementation Guide.*)

The mapping of qualified plan, owner entity type, and account designation to the DTCC feed is standard.

6 Benefit Selection

6.1 Description

This screen allows the user to select:

1. available service program options – the user can elect one or more service program options; data collection, allocation and options information is collected on separate screens that appear later in the wizard flow.

2. available death benefits and riders – the user can elect one or more death benefits; the user may also select non-death benefit rider options, if available.

6.2 PPfA Configuration Options

The PPfA may be used to configure:

1. Service programs

2. Death benefits and riders

3. Help Content (See Appendix I for additional information)

The PPfA also allows definition of conflicts and requisite restrictions between services programs and riders. This feature may be used to restrict election of a service program if a conflicting service program has been selected (for instance, DCA and Automatic Rebalancing). Please see Appendix D for more details on PPfA configuration issues for service programs and riders.

6.3 Fields a la Carte Configurations

None

6.4 Considerations

1. EbixExchange uses a special display structure to group certain service programs that would impact initial allocation. Referred to as *the initial allocation group*, it will group Special DCA, Asset Allocation and Initial Allocation programs together under an Initial Investment Allocation option. The grouping is only utilized when multiple initial allocation options exist and is not visible otherwise.
2. For death benefit and rider options, EbixExchange does not include additional data collection in the Baseline Wizard as is the case for service features where a selection of a service feature drives pages specific to that service feature for data collection. A user may elect these options but cannot enter any additional information or launch rider specific screens.
3. The Order in which the Riders and Service programs display is controlled by the FeatureProduct.Sequence property. Additionally, the options within each feature are controlled by the FeatureOptProduct.Sequence property. This allows carriers to define a consistent display order of their riders and arrangements on the Benefits Page for all their products.

7 Owner Data Collection

7.1   Description

The Owner data collection screens allow a user to enter applicable owner information for the transaction. Owner information screens include support for:

1. Primary Owners – each transaction must enter at least one Primary Owner.

    ➢ Individual Owners – allows a user to enter information for a natural/individual owner
    ➢ Non-natural Owners (Non-Trust) – allows a user to enter information for corporate or entity owners
    ➢ Trusts and Trustees – allows a user to enter trust and trustee information for contracts. Information is collected first for a trust in the Trust screen. A Trustee screen then allows information collection for one or more trustees. This path is only generated when the primary owner is Trust.

2. Joint Owners – a Joint Owner screen is only displayed if the existence of a joint owner is acknowledged on the Primary Owner screen or if the Account Designation is Joint.

3. Contingent Owners – this screen is displayed if contingent owners are supported by carrier and product and the existence of a contingent owner is acknowledged on the Primary Owner screen. Contingent Owners are only permitted for natural primary owners.

4. UGMA/UTMA transactions are treated as an individual owner transaction. This means that the user experience for these types of transactions is similar to the user experience for an application being submitted by an individual owner.

5. Inherited IRAs – The Individual Owner screen is relabeled to Inherited Owner and the Decedent Entity page captures details related to the deceased Owner.

7.2   PPfA Configuration Options

*   maximum number of joint and contingent owners
*   minimum and maximum age limits
*   If the product is annuitant-centric, then the allowed relationships to the annuitant may be specified.
*   QualifiedPlanType 53 – Inherited IRA generates the Inherited Owner and Decedent Entity pages.

7.3   Fields a la Carte Options

Various data capture fields for the owner may be turned on or off.

7.4   Considerations

1. The Trust screen flow is used when the selected owner type is a trust. This flow requires the collection of trust name, date of trust formation, and trustee information.

2.   Required support for original, deceased owner, inherited owners, and inherited IRA does not exist in the PPfA today and hence is not supported in the Baseline Wizard.

3.   Joint owners are only allowed for non-qualified IRS plan types and when the primary owner is an individual. Therefore, an individual may not be a joint owner with a trust or other non-natural person as the primary owner.

4.   Contingent owners are only allowed for non-qualified IRS plan types and when the primary owner is an individual.

5.   As a general rule, the Baseline Wizard does not provide for the existence of non-natural joint owners or non-natural contingent owners.

8 Annuitant

8.1 Description

This screen allows a user to enter annuitant information for a transaction. The Annuitant screen will only appear if the option selected on the previous screen indicated that the primary owner is different from the annuitant or if the owner is not an individual. Annuitant information screens include support for:

1. Annuitant – all transactions must have an entry for at least one annuitant. Annuitant information will default to owner information if the answer to the question on the previous page "owner equals annuitant?" question is "yes."

2. Joint Annuitant – a Joint Annuitant screen is only displayed if the existence of a joint annuitant is acknowledged on the Primary Owner screen.

3. Contingent Annuitant – will be displayed if the carrier and product support contingent annuitants and if the existence of the contingent annuitant is acknowledged on the Primary Owner screen.

8.2 PPfA Configuration Options

- Minimum number of primary covered persons to require a joint annuitant
- maximum number of joint and contingent annuitants
- minimum and maximum age limits
- If the product is owner-centric, then the allowed relationships to the owner may be specified.

8.3 Fields a la Carte Options

Various data capture fields for the annuitant may be turned on or off.

8.4 Considerations

The **Same as Owner** button only copies address information from the Owner screen to the Annuitant screen.

9 Beneficiaries

9.1 Description

This screen allows a user to enter beneficiary information. Beneficiary information screens include support for:

1. Beneficiaries – each transaction must enter information for at least one beneficiary

2. Contingent Beneficiaries – displayed if carrier and product support contingent beneficiaries

3. Custodial Account Beneficiaries – displays if the Account Designation on a contract is Custodial and a Spousal Rider (RiderTypeCode = 215) has been selected and the LivesType is Joint (First/Last-to-die Not Application or Undetermined) or Either Single or Joint (type codes 9 or 10).

9.2 PPfA Configuration Options

1. A user may configure an *irrevocable beneficiary.*

2. The total number of beneficiaries is configurable in the PPfA, as are the number of primary beneficiaries and the number of contingent beneficiaries. The total number of beneficiary restrictions is only enforced upon submission.

3. Relationships to owner (or annuitant for annuitant-centric contracts) must be specified.

9.3 Fields a la Carte Options

1. Various data capture fields for the beneficiary may be turned on or off.

2. Support is provided for products with both owner beneficiaries and annuitant beneficiaries.

9.4 Considerations

1. A beneficiary may be indicated as a primary or a contingent beneficiary. Additional business rules surrounding primary or contingent beneficiaries must be requested through a customization request.

2. The relationship to owner (or annuitant for annuitant-centric products) determines whether the Wizard expects the individual name details (first, last, middle) or the entity name to be filled in.

3. Add and remove beneficiaries buttons can be used to add more beneficiaries or remove existing beneficiaries.

4. EbixExchange follows the same rules as the DTCC – APP/SUB file which requires either no address information or complete address information.

10 Payments

10.1 Description

Information for each payment is collected on the Payment Detail and the Additional Payment Information screens. Summary information about each payment is contained on the Payment Summary screen. The Payment Summary screen is also where the payments are added and removed. The screen flow is Payment Detail > Additional Payment Information > Payment Summary. There is only one Payment Summary screen, and for each payment there is a dedicated Payment Detail/Additional Payment Information pair of screens. The Additional Payment screen is configured by information collected on the Payment Detail screen. Further details on each screen are provided below.

10.2 Payment Summary Screen

The Payment Summary screen is where payments are controlled and summary information is displayed. For each payment, the money form, amount, and payment method are displayed. These fields are not editable on this screen. For each payment there is also a **Remove This Payment** button, which if clicked removes the payment. At the bottom of the screen there is an **Add a Payment** button, which generates a Payment Detail screen.

10.2.1 PPfA Configurations

None

10.2.2 Fields a la Carte Options

None

10.2.3 Considerations

None

10.3 Payment Detail Screen

The first Payment Detail screen is generated automatically. All other Payment Detail screens are generated when the **Add a Payment** button on the Payment Summary screen is clicked. The Payment Detail screen collects the following information about a particular payment: money form, payment method, payment amount, NAIC Replacement Question 1, and NAIC Replacement Question 2.

The valid money forms and associated payment methods are described in the following table. The carrier payment methods described below are included in the Baseline Wizard.

The distributor payment methods are listed here for informational purposes only. The distributors will select their distributor-settled payment methods themselves. Distributor-settled payments will be translated to the appropriate payment in the feed to the carrier. For instance, in a distributor-settled DTCC implementation, a check payable to the distributor will be translated to CLH (clearinghouse) in the DTCC feed.

Money Sources	Description	Carrier Payment Methods	Distributor Payment Methods
New Money/ New Contribution	Money funding the annuity contract comes from the owner's (or another person's) account (bank, brokerage, etc.). The money does not come from an existing annuity or life insurance (including Modified Endowment Contract (MEC) contract or other plan. Examples include a new contribution to an existing IRA or initial premium payment into a new non-qualified annuity	ACH / Check / Brokerage Account	ACH / Check / Brokerage Account
1035 Exchange	Available for non-qualified plans only – money funding the new annuity contract comes from an existing annuity or life insurance (including MEC) contract; the carrier requests the funds from the ceding company (where the previous contract is held); also used for internal replacements. There is no payment method election and for such cases the payment method element in the transaction data feed defaults to exchange. All rules governing this exchange can be found under Section 1035 of the IRS Code.	Insurance Exchange	
Transfer	Available for qualified plans only – transfer is the same as Qualified Transfer. Money funding the new annuity contract comes from a similar plan in one of two ways: 1) the new trustee (i.e., carrier) requests the funds from the ceding trustee (where previous contract/account is held) – the payment method in this case is exchange; 2) the funds are moved immediately from a brokerage account held at the distributor where the infrastructure is in place so that the transfer can be considered trustee-to-trustee and there is no withholding. The payment method in this case is qualified brokerage. Examples of transfers include: plans under Section 401(a) to other 401(a) plan types, IRA to IRA transfers (however, not rollovers), 403(b) to 403(b) and Section 457 to Section 457.	Insurance Exchange / CD Redemption / Mutual Fund Redemption / Other Non-Insurance Exchange	Qualified Brokerage
Rollover	Available for qualified plans only – money funding the new annuity contract comes from a Qualified Plan; there are two options if the selected payment method is exchange or qualified brokerage the transaction is treated as a direct rollover – the money does not touch the account of the owner. Otherwise if ACH, check, wire, brokerage or any other "CASH" payment method is selected, the transaction is treated as an indirect rollover, where money comes from the owner's account.	Check / ACH / Mutual Fund Redemption / CD Redemption / Other Non-Insurance Exchange / Insurance Exchange	ACH / Check / Brokerage / Qualified Brokerage

The Payment Detail flow requires the election of an appropriate money form, followed by entry of required information and an appropriate payment method. This is because the money form drives the list of available payment methods. The transaction wizard also supports default plan type and money form combinations. For details please see the "Money Sources & Payment Methods" tab of the *Fields a la Carte* spreadsheet.

10.3.1 PPfA Configurations

None

10.3.2 Fields a la Carte Options

1. Money sources and payment methods may be configured via the "Money Sources & Payment Methods" tab.

2. Various data captures for check and ACH payments may be turned on or off. These data captures are intended to assist with treasury reconciliation.

3. Various exchange/replacement follow-up data captures may be turned on. These are intended to be used for exchange/replacement disclosure purposes.

4. Partial exchange data collection may be turned off by those carriers that do not support partial exchanges. Similarly partial 1035 exchanges may be turned off.

10.3.3 Considerations

1. Because the two replacement questions are used by both distributors and carriers, the text of these questions cannot be altered.

2. The partial exchange amount or percent is not used in vetting. The amount entered at the beginning of the Payment page is the amount used for vetting and computing total premiums.

3. EbixExchange's interpretation of money form terminology and processes is driven by the Internal Revenue Code and its usage by current distributors and carriers. This interpretation could differ from that utilized by a specific carrier or distributor. The Baseline Wizard supports the above interpretation. Changes to the baseline functionality can be requested through Modification Work Orders.

4. For exchange, transfer, rollover and conversion transactions, no vetting is done to ensure that owner and annuitant details are exactly the same on the new application and the contract being replaced since no access to the ceded contract information is available. Provision for such rules is not included in the Baseline Wizard. This functionality is being reviewed by DTCC and EbixExchange. If you are interested in pursuing this functionality, please contact your EbixExchange CIS Project Manager.

5. EbixExchange supports multiple exchanges into a single annuity contract as well as new money contributions into the same application with exchanges.

6. Direct and indirect rollovers are differentiated by the choice of payment method. A rollover with a payment method of exchange or qualified brokerage is a direct rollover. Any other payment method implies an indirect rollover.

11 Payment Processing

11.1 Background

The basic principle concerning payment methods is that the carrier provides the information about the payment methods that it settles, and the distributor provides the information about the payment methods that it settles. Also, the distributor may specify which of the carrier-settled payment methods it allows. The carrier may not disallow a distributor-settled payment method. This section includes considerable explanation of the distributor side in order to make clear how to settle money in the EbixExchange context.

The distributor may filter those carrier-settled payment methods that it will support. The distributor also configures those distributor-settled payment methods that it supports.

The standard carrier-settled payment methods available to the carrier are as follows:

Payment Method	Description
Check	Client makes the payment by check
ACH/Electronic Funds Transfer	Sometimes called ACH – automated clearing house debit of client's (bank) account.
Wire	Wire transfer of funds
Insurance Exchange	Cash Later – the case where the carrier requests the proceeds of a life insurance policy or annuity contract from the ceding insurance company on behalf of the client
CD Redemption	Cash Later – the case where the carrier requests the proceeds of a CD from the ceding institution on behalf of the client
Mutual Fund Redemption	Cash Later – the case where the carrier requests the proceeds of some mutual funds from the ceding institution on behalf of the client
Other Non-Insurance Exchange	Cash Later – any case where the carrier requests the funds from the ceding institution on behalf of the client that is not covered by the Insurance Exchange, CD Redemption and Mutual Fund Redemption payment methods
Debit Brokerage Account	The client's brokerage account is debited
Debit Qualified Brokerage Account	Debit qualified brokerage account for direct transfer – this is a direct trustee-to-trustee transfer and it is considered that the client does not have constructive receipt of these funds

The defaults are that the carrier enables all of the above payment methods except the Debit Brokerage Account and Debit Qualified Brokerage Account Payment Methods (since these are typically distributor-settled payment methods). The distributor will often replace the carrier-settled check and ACH payment methods with equivalent distributor- settled payment methods. For further details look at the "Money Sources & Payment Methods" tab of the *Fields a la Carte* spreadsheet. EbixExchange does not support distributor- settled *cash later* payments such as CD redemption into a distributor account.

11.1.1 Payment Method/Settlement Interactions

Settlement reporting must be consistent with treasury function at the distributor. That is, the settlement reports that EbixExchange generates pertain to distributor-settled accounts only and the settlement amount for deposits into carrier-settled accounts is $0.

Below is a table of the standard payment methods and the settlement choices and their dependency on the account to which the money is immediately deposited:

Settlement Account Ownership		
Method	**Distributor**	**Carrier**
ACH	DTCC: NO SETTLE/NET	DTCC: NO SETTLE/NO NET
	DIRECT: SETTLE/NET	DIRECT: NO SETTLE/NO NET
	Distributor-initiated, distributor-reconciled. Only settled by DTCC when deposited into a DTCC settlement account.	CARRIER-INITIATED, CARRIER-RECONCILED
Check	DTCC: NO SETTLE/NO NET	DTCC: NO SETTLE/NO NET
	DIRECT: NO SETTLE/NO NET	DIRECT: NO SETTLE/NONET
	Not an NSCC-settled Payment Method	CARRIER-INITIATED, CARRIER-RECONCILED
Wire	DTCC: SETTLE/NET	DTCC: NO SETTLE/NO NET
	DIRECT: SETTLE/NET	DIRECT: NO SETTLE/NO NET
	Distributor-initiated, distributor-reconciled	CARRIER-INITIATED, CARRIER-RECONCILED
Insurance Exchange, CD Redemption, Mutual Fund Redemption, Other Non-Insurance Exchange		DTCC: NO SETTLE/NO NET
		DIRECT: NO SETTLE/NO NET
	Never deposited into distributor account	CARRIER-INITIATED PAPER, CARRIER- RECONCILED

Settlement Account Ownership		
Method	**Distributor**	**Carrier**
Brokerage	DTCC: SETTLE/NET	DTCC: NO SETTLE/NO NET
	DIRECT: SETTLE/NET	DIRECT: NO SETTLE/NO NET
	Distributor-initiated, distributor-reconciled	CARRIER-INITIATED, CARRIER-RECONCILED
Qualified Brokerage	DTCC: SETTLE/NET	DTCC: NO SETTLE/NO NET
	DIRECT: SETTLE/NET	DIRECT: NO SETTLE/NO NET
	Distributor-initiated, distributor-reconciled	CARRIER-INITIATED, CARRIER-RECONCILED

The distributor and carrier can choose to retain commissions on amounts deposited into distributor-settled accounts. If the distributor enables netting, then the function of settlement and netting follows the rules described in the above table. Any departures from the settings as laid out in this table are custom and require EbixExchange analysis and approval. However, if the carrier has defined the netting allowed indicator as False in the PPfA, then there is not netting and the distributor cannot choose to retain commission.   Netting will only take place if both the Distributor and Carrier have defined netting as True.   When both the Distributor and Carrier are setup to Net, Brokerage Account and Qualified Brokerage Accounts will retain commissions. Check, Exchange (1035, Transfer, Rollover) and Other Insurance Exchange (CD Redemption or Mutual fund Redemption do not retrain commissions

12 Service Programs

12.1 Description

Service Programs are arrangements typically involving scheduling and movement of money into, out of, or between funds in the contract. The Service Programs section allows the user to collect information for the owner's desired service programs. The screen provides support for the following programs:

1. Initial Allocations – Initial investment allocation of funds; these include self-directed allocation as well as special dollar cost averaging and asset allocation

2. Special Dollar Cost Averaging – a program that periodically transfers money from a special fixed fund to an allocation of funds (usually must be variable); because this affects the initial investment of funds, this is modeled as an option on the Initial Investment screen

3. Dollar Cost Averaging – a program that periodically transfers money from one fund to an allocation of funds

4. Interest Sweep – a program that periodically transfers interest from a fixed fund to an allocation of funds (usually must be variable)

5. Asset Allocation – a program that invests in a model of some sort; because this affects the initial investment of funds this is modeled as an option on the Initial Investment screen

6. Multi-stage Asset Allocation – a program that invests in a model which is made up of categories with assigned percentages and where either the client selects the fund percentages within each category or these percentages are set by the carrier; because this affects the initial investment of funds, this is modeled as an option on the Initial Investment screen

7. Automatic Payment Program – a program that makes periodic future deposits into the contract

8. Systematic Withdrawal Program – a program that makes periodic withdrawals from the contract – options include ACH and check by mail

9. Automatic Rebalancing Program – a program to setup an automatic rebalancing for execution on a set frequency

10. Standing Allocation

The fields collected by the Baseline Wizard vary depending on the service program. Please see the *Fields a la Carte* spreadsheet for details.

12.2 PPfA Configuration Options

Options available via PPfA include the ability to configure:

1. Scheduling frequencies and days of the month

2. Limits on term of program

3. Service program and rider names and the names for all the options

4. Outbound codes

5. Source funds and target funds

6. Amount types for source funds and target funds

7. Limits on transaction amount

8. Limits on deposit percents and amounts allocated to specific funds

9. Excluded funds (if this option is selected, these funds are excluded from the product)

10. Age limits and premium limits

11. Availability by qualified plan

12. Availability by state

13 Payment methods

Please see Appendix D for more information on PPfA modeling issues.

12.3 Fields a la Carte Options

The fields available depend on the service program. The fields can be categorized as follows:

1. Scheduling – frequency, start date, start month, end date, process day, transfer mode, number of transactions

2. Allocation – Source Allocation, Destination Allocation

3. Payment Details

4. Use Allocation – new, standing, initial

12.4 Considerations

1. There is no support for complex interaction between service program options in the PPfA. For example, if Option A is selected on Service Program B, then disable Fund Y on Service Program X.

2. Special Dollar Cost Averaging and Asset Allocation programs require special modeling in the PPfA. Please refer to Appendix D.

3. Secure Principal programs are supported as riders.

12.5 Initial Allocation

12.5.1 Initial Investment Options: Self-Directed Allocation

12.5.1.1 Description
The allocation of funds for the initial premium. Vetting rules require that if Traditional DCA was selected on the Benefits page then a DCA fund must be selected as one of the Initial Investment Options.

12.5.1.2 PPfA Configuration Options
The target funds may be specified.

12.5.1.3 Fields a la Carte Options
Some display text changes are permitted.

12.5.1.4 Considerations
Since the exact premium may not be known for 1035 exchanges, rollovers, and transfers, the allocation must be either selection of a single fund (radio) or by percentage.

12.5.2 Initial Investment Options: Asset Allocation (simple or multi-stage)

12.5.2.1 Description
The allocation of the initial premium to an investment model.

12.5.2.2 PPfA Configuration Options
- simple Asset Allocation
- models available
- multi-stage Asset Allocation
- models available
- decomposition into categories
- any associated percentages

12.5.2.3 Fields a la Carte Options
Some display text changes are permitted.

12.5.2.4 Considerations
Only one asset allocation model may be selected in the Baseline Wizard. (The Baseline Wizard does not permit allocation to multiple models; however, a complex asset allocation does permit 1 model and stand-alone variable funds.)

12.5.3 Initial Investment Options: Self-Directed Allocation and Complex Asset Allocation

12.5.3.1 Description
The allocation of funds for the initial premium can be applied to funds and a Complex Asset Allocation model.

12.5.3.2 PPfA Configuration Options
The Initial Premium Self Directed target funds and the complex asset allocation model are specified.

12.5.3.3 Fields a la Carte Options
Some display text changes are permitted.

12.5.3.4 Considerations
Only one asset allocation model may be selected in the Baseline Wizard. (The Baseline Wizard does not permit allocation to multiple models; however, a complex asset allocation does permit 1 model and stand-alone variable funds.)

12.5.4 Initial Investment Options: Special Dollar Cost Averaging

12.5.4.1 Description
The allocation of initial funds to other than the SDCA source fund; the allocation to the SDCA source fund has already taken place on the Special Dollar Cost Averaging screen.

12.5.4.2 PPfA Configuration Options
The target funds may be specified.

12.5.4.3 Fields a la Carte Options
Some display text changes are permitted.

12.5.4.4 Considerations
Allocation must be by percentages. Please see Appendix D for further PPfA modeling details.

12.6 Special Dollar Cost Averaging Program

12.6.1 Description

The source fund, initial allocation to the source fund, scheduling details, and target allocation are specified.

12.6.2 PPfA Configuration Options

Allows for all the usual configuration options with the exception of payment methods (which don't apply).

12.6.3 Fields a la Carte Options

Transfer amount and scheduling fields may be turned on.

12.6.4 Considerations

1. Target allocation must be by percentages.
2. Only one source fund is permitted.

12.7 Special Dollar Cost Averaging Program and Complex Asset Allocation

12.7.1 Description

The source fund, initial allocation to the source fund, scheduling details, and target allocation is the Complex Asset Allocation.

12.7.2 PPfA Configuration Options

Allows for all the usual configuration options with the exception of payment methods (which don't apply).

12.7.3 Fields a la Carte Options

Transfer amount and scheduling fields may be turned on.

12.7.4 Considerations

1. Target allocation must be by percentages.
2. Only one source fund is permitted.

12.8 Dollar Cost Averaging Program

12.8.1 Description

The source fund, periodic amount, scheduling details, and target allocation are specified.

12.8.2 PPfA Configuration Options

Allows for all the usual configuration options with the exception of payment methods (which don't apply).

12.8.3 Fields a la Carte Options

Several fields may be turned on or off and some text may be changed.

12.8.4 Considerations

Only one source fund is permitted.

12.9 Interest Sweep Program

12.9.1 Description

The source fund, scheduling details, and target allocation are specified. This is a type of Dollar Cost Averaging Program where only the interest from the source fund is transferred.

12.9.2 PPfA Configuration Options

Allows for all the usual configuration options with the exception of payment methods (which don't apply)

12.9.3 Fields a la Carte Options

Several fields may be turned on or off and some text may be changed.

12.9.4 Considerations

None

12.10 Asset Allocation Program

12.10.1 Description

The target model(s) are selected.

12.10.2 PPfA Configuration Options

The models available for investment

12.10.3 Fields a la Carte Options

Some text may be changed.

12.10.4 Considerations

When the IP MaxNumDestinationInvestProd for static Asset Allocation models is null or 1, we will present radio buttons and only allow a single selection. When greater than 1, the static models will display a percentage field.

12.11 Multi-Stage Asset Allocation Program

12.11.1 Description

The target model is selected and the fund allocations within the categories are either displayed or selected as the case may be.

12.11.2 PPfA Configuration Options

The models available for investment, category percentage ranges for each model, and funds or funds with assigned percentages that comprise each category

12.11.3 Fields a la Carte Options

Some text may be changed.

12.11.4 Considerations

Only one model may be selected.

12.12 Automatic Payment Program

12.12.1 Description

The target allocation, periodic amount, scheduling details, and ACH details are specified.

12.12.2 PPfA Configuration Options

Allows for all the usual configuration options with the exception of target allocation payment methods (which don't apply).

12.12.3 Fields a la Carte Options

Several fields may be turned on or off and some text may be changed.

12.12.4 Considerations

Periodic investments are assumed to be by ACH. Please see Appendix D for further PPfA modeling details

12.13 Systematic Withdrawal Program

12.13.1 Description

The source allocation, periodic amount or percent, scheduling details, and payment details are specified.

12.13.2 PPfA Configuration Options

Allows all the usual configuration options with the exception of source.

12.13.3 Fields a la Carte Options

Several fields may be turned on or off and some text may be changed.

12.13.4 Considerations

None.

12.14 Automatic Rebalancing Program

12.14.1 Description

The scheduling details and target allocation are specified.

12.14.2 PPfA Configuration Options

The target funds, frequencies, and days of the month.

12.14.3 Fields a la Carte Options

Several fields may be turned on or off and some text may be changed.

12.14.4 Considerations

None

12.15 Standing Allocation

12.15.1 Description

Target allocation is specified.

12.15.2 PPfA Configuration Options

Target funds

12.15.3 Fields a la Carte Options

The `Use Initial Allocation/ Specify a New Allocation` question can be configured through Fields a la Carte.

12.15.4 Considerations

None

13 Authorizations

13.1 Description

The Authorization screen gathers the answers to authorization questions. Each authorization question asks for consent for a collection of contract roles to perform a transaction via some method.

13.2 PPfA Configuration Option

Each of the three variable elements is configurable through the PPfA.

13.3 Fields a la Carte Option

There are no standard configuration options for this screen.

13.4 Considerations

EbixExchange follows the DTCC APP standard where only one authorization per entity is permitted.

14 Investment Professional Information

14.1 Description

Advisor or investment professional information is captured via user logon and identification from the AnnuityNet Platform and included in the data feeds to EbixExchange partners.

14.2 PPfA Configuration Options

If **Illustration Confirm Number** is enabled via FAC, then the PPfA can be used to turn the field on or off.

14.3 Fields a la Carte Options

1. Prospectus delivery and prospectus date can be turned on for applications by either the carrier or distributor. A transaction with this field turned on cannot be submitted unless the answer to the question is "Yes". This should only appear for Variable Annuities. When it is turned on, Yes is passed in APP/SUB field #4037.
    Product vs. Fund Prospectus – although the question is inclusive of the fund prospectus it is not a concern that the DTCC field pertains only to the product prospectus.

2. Reason for transaction can be turned on.

14.4 Considerations

None

15 Tier 2 – Account Inquiry

15.1 Description

Tier 2 – Account Inquiry is an optional capability. To be enabled, the distributor must purchase it and the carrier must subscribe to the option and provide position files to EbixExchange.

Tier 2 – Account Inquiry consists of the following:

1. Summary information on the Contract List page for any in-force annuity contract for which the carrier provides a position feed

2. A Contract Detail page which provides demographic information as other contract level information

3. A Positions page which provides subaccount level position information for variable funds and bucket level (where provided by carrier) position information for fixed funds

4. Improved Sub-Pay Wizard for contracts with position information. See Appendix C for details about the Sub-Pay Wizard.

15.2 Contract List Page

The Contract List page provides summary information on the inforce contract as well as sorting and filtering capabilities and a link to the Contract Detail page for the contract.

15.2.1 Layout

15.2.2 Filtering Criteria

The contracts may be filtered by carrier, product, issue date, advisor, BIN, owner last name, owner first name, owner TIN/SSN, annuitant last name, annuitant first name, or annuitant SSN.

15.2.3 Sorting

The contract list may be sorted in ascending or descending order by clicking the desired column header. Upon selection, an up or down arrow will appear next to the column title to identify the sort order. To reverse the sort order the user may re-click the sorted column header.

15.3 Contract Detail Page

The contract detail page provides demographic information about the owner and annuitant as well as riders, service programs, contract dates and contract level values.

15.3.1 Layout

Contract Detail Information	06/06/2007
Contract Number:	110821120060RV
Status:	Active
Last Updated:	03/29/2006
Product Type:	Variable
Carrier:	Pacific Life
Product:	Pacific Value (Std DB)
Total Premiums:	$9,247.13
Contract Entities	
Primary Owner	
Name:	EDWARD TAUB
SSN/TIN:	489395111
Primary Annuitant	
Name:	EDWARD TAUB
SSN/TIN:	489395111
Investment Professional Information	
Agent 1 Name:	JOHN SPRAKER
Agent 1 SSN/TIN:	123456710
Client Account Number:	118141200411
Commission Basis:	B
Riders	
Death Benefit Option	
Service Features	
Asset Allocation	
Contract Amounts	
Total Contract Amount	$9,595.69
Surrender Value	$11.00
Total Withdrawal	$11.00
Gross Death Benefit	$9,595.69
Original Investment Value	$9,247.13
Contract Dates	
Issue Effective Date	01/13/2006

15.4 Positions Page

The Positions page provides subaccount level position information for variable funds and bucket level (where provided by carrier) position information for fixed funds. Where the contract has both fixed and variable funds, the pie chart graphic includes both.

15.4.1 Layout

Contract Positions Information	06/06/2007

This information was updated by the insurance carrier on 03/29/2006. If you have any questions regarding the information displayed, please contact the insurance carrier.

Contract Number:	110821120060RV
Product Type:	Variable
Carrier:	Pacific Life
Product:	Pacific Value (Std DB)
Total Premiums:	$9,247.13
Total Market Value:	$960.67

Variable Funds

Fund Name	Units	Sub Account Value	% of Contract
American Growth-Income	2.5793	$28.85	3.00%
American Growth	2.3569	$28.82	3.00%
Small-Cap Value	1.0336	$19.19	2.00%
Short Duration Bond	6.7234	$67.38	7.01%
Large-Cap Value	3.5067	$48.07	5.00%
High Yield Bond	1.9959	$28.87	3.00%
Managed Bond	8.2923	$134.50	14.00%
Inflation Managed	6.2221	$105.71	11.00%
Small-Cap Index	1.7474	$28.81	3.00%
Equity Index	.9329	$19.23	2.00%
International Value	3.1948	$48.17	5.01%
Mid-Cap Value	3.6816	$76.85	8.00%
Growth LT	.8360	$19.24	2.00%
Comstock	2.7577	$28.86	3.00%
Main Street Core	3.8818	$67.27	7.00%
International Large-Cap	10.5757	$95.84	9.98%
Diversified Research	3.1977	$38.47	4.00%
Emerging Markets	2.0403	$38.16	3.97%
Large-Cap Growth	4.9390	$38.41	4.00%

- Managed Bond - (14.00%)
- Inflation Managed - (11.00%)
- International Large-Cap - (9.98%)
- Mid-Cap Value - (8.00%)
- Short Duration Bond - (7.01%)
- Main Street Core - (7.00%)
- International Value - (5.01%)
- Large-Cap Value - (5.00%)
- Diversified Research - (4.00%)
- Large-Cap Growth - (4.00%)
- Other - (24.98%)

15.5 DTCC Position Feeds

The details of the DTCC position feeds (PFF, PVF, PNF), including the schedule and data usage requirements can be found in the EbixExchange DTCC POS Usage Guide document. Some implementations may initially be solely PVF based and have the position information provided to EbixExchange by a party other than DTCC (such as the distributor or a third party).

15.6 Other Uses of Position Data

1. Pre-populating the Subsequent Premium Wizard

2. Populating distributor exchange/switch disclosure forms

3. Operational stop conditions for subsequent premium transactions

4. Complete listing of Annuity Book of Business

15.7 Fields a la Carte Options

None

16 Generic Sales Wire for Life / Generic Sales Wizard

16.1 Description

The Generic Sales Wire for Life (GSWfL) is the first phase of a larger Generic Sales Wizard for Insurance project.

This phase provides a sales wire for life insurance applications. The wizard is entirely generic and is intended primarily to assist the distributor in tracking who has sold what to whom for what reason. More specifically, the following capabilities are enabled:

- Tracking – by collecting critical information and routing and logging workflow appropriately
- Suitability – a separate suitability questionnaire is configurable for each product type
- License and appointment checks – work the same as for the annuity application wizard
- Forms generation – enough information is collected to assure that the correct replacement, disclosure, application, rider and other forms are generated
- Compliance monitoring – coverage options, dividend options, product type, death benefit, rating class, and lives are collected so that compliance departments know what has been sold
- Allows for accurate SubPay

16.2 Generic Sales Wizard for Tier 2 Subpays

Generic Sales Wizard - Generic Sales Wizard (GSW) Tier 2 Subpay support will provide automation for Subpay transactions that are not supported via PPfA.

In order to allow the entry of a Subpay online, EbixExchange's Tier 2 requires a Subpay PPfA to exist for the CUSIP of the in-force contract. In order to avoid eliminating products available for Subpays, EbixExchange has created shell GSW Subpay products based on products found in the PVF file that are not already built using the PPfA. In order to activate these GSW Subpays within the Foundry system, carriers must edit the shell GSW Subpay profile in order to provide the accurate NAIC code, product name, category and bonus information. After both the carrier and distributor activate the product, the product will be available for Tier 2 SubPays.

Please refer to the *Carrier Foundry Guide* for GSW Tier 2 Subpays for step-by-step instructions on how to edit or create a GSW Tier 2 Subpay products.

Appendix A   Baseline Wizard General Navigation

The following guidelines will aid in the use of the Baseline Wizard:

1. An extremely important rule in navigating through AnnuityNet's Baseline Wizard is to NEVER use the "BACK" button on your Internet browser. Always use the navigation buttons (as described below) at the bottom of the screen.

2. The **previous**, **close & save**, and **next** buttons are always located at the bottom of the screen. These are the only buttons used to navigate through the Baseline Wizard. Work is saved every time these buttons are used to move forward or backward in the Wizard.
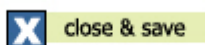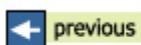
The functions of these buttons are as follows:

Select the **next** arrow to go to the next screen.
Select the **previous** arrow to return to the previous screen.
Select the **X** to close and save data.

3. Any field with an asterisk (*) to the right of it is a REQUIRED FIELD.

4. A text box is displayed so a user can type in required information.

5. A drop-down list box provides an arrow to the right of a text box and allows the user to select among various responses. The user may use the keyboard or the mouse to select items from the drop-down list box.

State Selection
Solicitation State*

Tennessee
Texas
Utah
Vermont
Virgin Islands
Virginia
Washington
West Virginia
Wisconsin
Wyoming
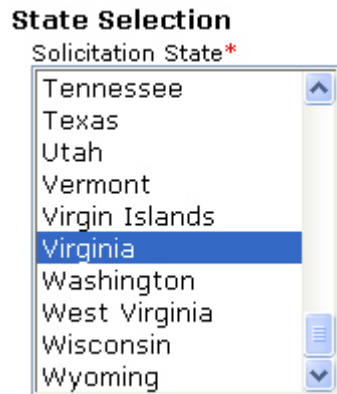
6. A radio button allows the user to select one item from a list.

Do you own any life insurance policies or annuities?*
○ Yes
⦿ No

7. If the screen remains idle for more than 20 minutes, the user will automatically be *logged out* and the information will be saved.

8. Use the **LOGOUT** button on the Activity Blotter to end the session (see glossary for Activity Blotter diagram).

9. A **Verify** step at the end of the application process allows the broker to determine if there are any errors that need to be corrected prior to final submission of the application.

AnnuityNet℠

NEW APPLICATION

┌── PATH ──┐

✓ Investment Professional Selection
✓ Product Type
✓ State
✓ Carrier / Product
✓ Account Designation / Plan / Owner Selection
✓ Benefits
✓ Individual Owner
Beneficiaries
✓   Beneficiary 1
Payment 1
✓   Detail
✓   Additional Information
✓ Payment Summary
✓ Self-Directed Initial Premium Allocation
✓ Authorization
✓ Investment Professional
✓ Suitability
✓ Additional Client Questions
Verify

Transaction Detail

Transaction Comment Entry and Summary

Verify
You have completed the data entry process for this transaction. When ready to process this transaction, please click on the "Verify" button to determine whether this transaction contains any errors or warnings. All errors must be corrected and warnings accepted before this transaction can be submitted.

Verify

← previous   ✖ close & save

Trans. Ref. GUID Version: 633f042d-fd61-46d7-9915-b49dfb27f0e4

10. **Wizard Navigation Bar** is located on the left side of the Baseline Wizard screen(s) and allows the user to see where they are in the process and allows them to navigate through the wizard.

11. This navigation bar also helps to identify the existence of errors in the Application or Subsequent Payment Wizard by providing a red exclamation point next to pages that have errors. The pages with errors must be corrected before the transaction can be successfully submitted to the insurance company for processing.

Warning – Errors (red exclamation points) will prevent an application from being successfully submitted.

Warning – A Warning (yellow exclamation point) serves to alert the representative that they may be in violation of a business rule, but a warning does not prevent the application from being submitted.

Appendix B Guide to Data Map Table Notation

B.1 Introduction

The target audience of this Appendix includes technical users who need to extract data from the AnnuityNet Transaction XML. This brief guide will assist the reader in interpreting and following the pseudo-X-PATH used to describe data elements for outbound data via the AnnuityNet Transaction XML. Pseudo-X-PATH refers to the string of data elements that must be followed to describe a specific data element.

To best utilize this Appendix, the reader will need the following:

- A copy of the schema for the AnnuityNet Transaction XML version (Please contact your EbixExchange Project Manager for this document.)
- An XML editor to view the schema.

Context is key! The Pseudo-X-Path is designed to provide context for the data element. The intent is to begin the description with a macro view of the schema and then focus on the specific and micro view of the data field.
The following are two examples of a pseudo-XPATH:

B.2 Example 1 (Describing the First Name data element where Primary Owner is an individual)

1. In this example, the intent is to describe the location of data for the data element First Name in the XML where Primary Owner is an individual.

2. It is necessary to begin at the macro level indicating that the Type of Contract Role is a Primary Owner.

3. The Primary Owner is then specified as a Person Entity Type.

4. Lastly, the focus is narrowed to specify that the data element First Name is a subset of Person Name.

5. The complete pseudo-XPATH is written as follows (Please note that this expression is not a formal query or code. The manner in which it is written does not represent an industry or company standard. It is simply a guideline to help identify the location of the data element in the schema. It is read from left to right and top to bottom.):

```
ENTITIES/ENTITY/CONTRACT_ROLES[CONTRACT_ROLE/TYPE = 'PRIMARY_OWNER' and
ENTITY_TYPE = 'PERSON']PERSON_NAME/FIRST_NAME
```

The steps that follow will illustrate the process of describing the data element. Visuals of the schema have been included to enhance the illustration.

The first part of the expression described is the type of Contract Role. Written as:

```
ENTITIES/ENTITY/CONTRACT_ROLES[CONTRACT_ROLE/TYPE = 'PRIMARY_OWNER'.
```

Next describe that the Primary Owner as a person (rather than a non-natural entity) by writing

```
TYPE = 'PERSON'.
```

Complete the expression of the First Name data element by writing

`PERSON_NAME/FIRST_NAME.`

B.3 Example 2 (Describing the First Name data element for a qualified transfer)

1. In this example, build on what was presented in Example 1 and add a bit of complexity; the intent is to describe the location of data for the data element First Name in the XML for a qualified transfer.

2. Begin at the macro level by specifying that the Financial Transaction is dealing with a Ceded Contract.

3. Next, focus on the ID related to the Entity Link of the Ceded Contract.

4. The focus narrows as the Contract Role is specified to relate to the Entity as a Primary Owner.

5. The final focus specifies the Entity is a Person with a unique First Name.

The complete pseudo-XPATH is written as follows (Please note that these expressions are not formal queries or code. The manner in which they are written does not represent an industry or company standard. They are simply guides to help identify the location of the data element in the schema. They are read from left to right and top to bottom.):

TRANSACTION/REQUEST/FINANCIAL_TRANSACTION/PREMIUMS/PREMIUM/REPLACED_CONTRACT/CEDED_CONTRACT/ENTITY_LINKS/ENTITY_LINK[CONTRACT_ROLES/CONTRACT_ROLE/TYPE = 'PRIMARY_OWNER']/IDS/ID ENTITIES/ENTITY/PERSON_NAME/FIRST_NAME

The steps that follow will illustrate the process of describing the data element. Again, visuals of the schema have been included to enhance the illustration.

Begin at the macro level by specifying that the Financial Transaction is dealing with a Ceded Contract. The expression is written as

`TRANSACTION/REQUEST/FINANCIAL_TRANSACTION/PREMIUMS/PREMIUM /REPLACED_CONTRACT/CEDED/CONTRACT.`

Next, focus on the ID related to the Entity Link of the Ceded Contract. The expression is expanded to read

`TRANSACTION/REQUEST/FINANCIAL_TRANSACTION/PREMIUMS/PREMIUM /REPLACED_CONTRACT/CEDED_CONTRACT/ENTITY_LINKS/ENTITY_LINK[CONTRACT_ROLES/CONTRACT_ROLE/TYPE = 'PRIMARY_OWNER']/IDS/ID.`

The focus narrows as the Contract Role is specified related to the Entity as a Primary Owner.

The final focus specifies the Entity is a Person with a unique First Name. This is written as

`ENTITIES/ENTITY/PERSON_NAME/FIRST_NAME.`

Again to summarize, the complete expression is written as:

```
TRANSACTION/REQUEST/FINANCIAL_TRANSACTION/PREMIUMS/PREMIUM
/REPLACED_CONTRACT/CEDED_CONTRACT/ENTITY_LINKS/ENTITY_LINK[CONTRACT_ROLES/CONTR
ACT_ROLE/TYPE = 'PRIMARY_OWNER']/IDS/ID
ENTITIES/ENTITY/PERSON_NAME/FIRST_NAME.
```

Appendix C   Subsequent Premium Payment Wizard

C.1 Introduction

The Subsequent Premium (Sub-Pay) Wizard collects subsequent premium transaction information for products that allow additional premium payments. The data capture collects contract state, contract numbers, owner information, money form, payment method, payment details, and investment allocation data. For investment allocation, EbixExchange provides functionality very similar to that available for the initial premium. As is the case for the initial premium investment options, a single self-directed option is available as are Special Dollar Cost Averaging and Asset Allocation. No investment allocation information is collected if there is no Sub-Pay PPfA.

Except for contract party (owners, annuitants, beneficiaries) information collection and the Additional Contract Information page (primarily used to collect information about the inforce contract for distributor exchange/switch disclosure forms), all other screens, data maps and related functionality are similar to what is already documented in the new business Baseline Wizard. The owner information collection data elements and data map can be found in the *Fields a la Carte* and *Baseline Wizard Mappings* spreadsheets.

The NAIC replacement questions and the money form *1035 with a payment method of "Insurance Exchange"* are available for distributors to activate via the Fields a la Carte.

> The law with respect to replacements may be different in Arkansas. Those carriers who feel that this is the case should use the JurisdictionApproval to only show those states listed on the platform; thus, excluding Arkansas, or, or manually review all such transactions.

C.2 Vetting and Pre-Population

The Sub-Pay Wizard functions somewhat differently in terms of vetting and prepopulation of data depending on the information available to it. For those inforce contracts where EbixExchange receives position feeds (Tier 2 contracts), there is a considerable amount of information available. For those contracts where EbixExchange does not receive position feeds, there is little information available.

C.2.1 Not Tier 2 / Sub-Pay PPfA Available

In this case, the Sub-Pay Wizard vets for required fields, state rules, and Inforce Exclusion Contract Date. Age-based vetting, transaction amounts and other business rules are not supported in the Sub-Pay Wizard. The exception is the support of MinPremiumAddOnAmt and MaxPremiumAddOnAmt where we support the first QualPlanEntity node and use the min/max values. The distributor may send some data fields for pre-population via an optional real-time pass through authentication protocol.

Inforce Exclusion Contract Date: Contract Issue Date will be collected by the subpay wizard and will be used to compare to the Inforce Exclusion Contract Date. The Issue Date must be less than the Inforce Exclusion Contract Date on a fund in order to be available on the platform (referred to as a *walled off* fund).

State Rules for Subpays: The contract state will be collected by the subpay wizard and will be used to compare the contract state with the product availability by state, fund availability by state, and options availability by state.

- **State Availability for Investment Options:** Using the PPfA via the FeatureOptProduct.JurisdictionApproval the platform will support Subsequent Premium Investment Options by state. On the Contract Information page, only the Subsequent Investment Options available in the Policy Contract State will display. Also, see the description on the JurisdictionCC and JurisdictionApproval elements in the PPfA Implementation Guide.

  > **Note** To limit the display of features by state, only list the available states in FeatureProduct.JurisdictionApproval. To limit the feature options by state, list the available states in FeatureOptProduct.JurisdictionApproval. If JurisdictionCC or JurisdictionApproval is specified at a parent level (e.g. PolicyProduct) and it is also modeled at a child level (e.g. FeatureProduct), the child level may only further restrict (and not expand) the applicable states.

- **Fund Availability by Contract State:** Using the PPfA via the InvestProductInfo.JurisdictionApproval the platform will support Fund Availability by state. On the Allocation pages only the funds available in the Policy Contract State will display.

- **State Availability for Subpay Transactions:** Using the PPfA via the PolicyProduct.JurisdictionApproval the platform will only allow Subpay transactions for those contract states listed.

  ➢ These can be used in conjunction with the date processing to further limit funds, options, and subpay availability by date and state.

C.2.2 Not Tier 2 / No Sub-Pay PPfA Available

Not supported as part of Baseline.

C.2.3 Tier 2 / Sub-Pay PPfA Available

Data to support Tier 2 Sub-Pay Wizard may come from the distributor (passed to EbixExchange as a bulk data feed or passed to EbixExchange as pre-fill data through PTA) or from the carrier (as a bulk data feed – either through the DTCC or direct). This data will be used to pre-fill the wizard to the maximum extent possible as well as providing information that is not displayed but may be used for vetting or commission computations.

The Sub-Pay Wizard vets for required fields and the following PPfA encoded rules:

- Age limits
- Premium limits
- IRS qualified plan based premium limits (to some extent – year to date premium is not factored in)
- Product availability by state
- Fund availability by state
- Options availability by state
- Fund availability by issue date

- **Inforce Exclusion Calendar Date**: This is the date after which a Fund is no longer available unless money is already invested in the Fund (referred to as a soft close). The PVF file will be used to determine if money is already invested in the Fund.

InforceExclusionCalendarDate has already been implemented by EbixExchange to refer to "soft close" where additional money may be applied only if money is already invested in the fund. Since the implementation of this element, SoftCloseDate was added to the standards to restrict the availability based on the fund value being greater than zero. Once EbixExchange converts to SoftCloseDate, InforceExclusionCalendarDate will no longer be supported by EbixExchange and the Industry. Until SoftCloseDate is supported by EbixExchange, carriers should model the date in both properties.

- **Inforce Exclusion Contract Date:** This is the date after which a fund is no longer available unless the contract was issued prior to the Inforce Exclusion Contract Date (referred to as a *walled off* fund)

The Sub-Pay Wizard does not vet for the following PPfA encoded rules:

- Fund restrictions due to certain riders being on the contract
- Sub-Pay option conflicts and requisites linked to particular riders or service features on contract

C.2.4 Tier 2 / No Sub-Pay PPfA Available

In this case, EbixExchange has developed a default product profile, Generic Sales Wizard for Tier 2 Subpays, for the carrier to edit the shell GSW Subpay profile to provide the accurate NAIC code, product name, category and bonus information. This will allow for SubPay transaction for older products without having to create a complete PPfA. The Tier 2 Sub-Pay Wizard vets for required fields, IRS mandated age limits, and IRS qualified plan based premium limits (to some extent – year to date premium is not factored in). The distributor may send some data fields for pre-population via an optional real-time pass through authentication protocol. In addition, the position feed data is used to pre-populate the wizard wherever possible. (For details, see the *Fields a la Carte* spreadsheet.)

C.3 Commission Computations

The accuracy of commission computations depends on the information available to the commission engine. Commissions cannot be computed without a PPfA. The Generic Sales Wizard does have places for commission detail. If the data is not supplied and commission computations cannot be completed, an error will display to the screen for the user to accept.

C.3.1 No Position Feed Available / Sub-Pay PPfA Available

Usually a single commission may be specified in the PPfA for each product CUSIP/distribution agreement. This percentage will be applied to all sub-pay transactions. More accurate commission tables are not usable because the Sub-Pay Wizard does not know ages, cumulative premium, contract year, or commission option. Multiple commission options can be specified, but each must have a single commission rate.

C.3.2 Position Feed Available / Sub-Pay PPfA Available

Highly accurate commission tables may be coded in XTbML in ACORD 2.10.01 or higher. For a complete list of supported XTbML table axes, see Appendix D.

Since we do not support Riders passed in the POS file to calculate commissions for Tier II Subpays, the Commission Option Extension (field 3024) is used in conjunction with the Commission Option (field 3023). The precense of these nodes in the PPfA would then trigger a lookup of the Commission Extension fround on the POV. The XTbML table in the PPfA would be modeled with a KeyType = tc 2 (String), KeySubType tc = 9 (Commission Option Extension).

C.4 PPfA Configurations

Carriers can use the PPfA to indicate if a product allows just initial premium transactions, subsequent premium transactions, or both. As is the case for the initial premium investment options, a single self-directed option is available as are Special Dollar Cost Averaging and Asset Allocation.

A **Use Standing Allocation** is also available (there is no option to select a new Standing Allocation). Complex commission tables may be coded in XTbML in ACORD 2.10.01 or higher. A single commission percentage per product CUSIP/distribution agreement may be coded in 2.9.00.AN.

C.5 Field a la Carte Options

A couple of text changes are available. The Special Dollar Cost Averaging and Asset Allocation screens will be the same across the Application and Sub-pay Wizards. The distributor has a variety of data captures available to populate disclosure forms.

C.6 Considerations

The ease and accuracy of the Sub-Pay Wizard depends to a large part on the information available to it. For products that have been retired but still have in-force contracts associated with it, create a Generic Sales PPfA for use in the SubPay Wizard.

C.6.1 No Position Feed Available / Sub-Pay PPfA Available

1. Age and contract value limits cannot be enforced because the requisite data is not available.

2. Commission computations are imperfect because the Wizard is unaware of the commission option initially selected for the contract and the commission rates applicable (the contract issue date is not available to the wizard).

3. No restrictions based on existing position or financial transaction history can be enforced because the data is not available to the wizard.

4. There may be multiple CUSIPs with the same product name. This can cause major difficulties on the backend as well as all sorts of accuracy problems with the Sub-Pay PPfA, since it is only possible to match on product name.

C.6.2 No Position Feed Available / No Sub-Pay PPfA Available

Not supported in Baseline Wizard

C.6.3 Position Feed Available / Sub-Pay PPfA Available

1. IRS contribution limits do not take into account previous contributions to the same tax year.

2. For products that have been retired but still have in-force contracts associated with it, create a Generic Sales PPfA for use in the SubPay Wizard.

C.6.4 Position Feed Available / No Sub-Pay PPfA Available

1. Commissions cannot be computed.

2. Allocations are not collected.

3. IRS contribution limits do not take into account previous contributions to the same tax year.

4. No carrier age or premium limits.

Appendix D   PPfA Modeling – EbixExchange Considerations

D.1 Introduction

This document is meant to address the modeling issues not directly addressed by the *National Association for Variable Annuities Product Profile for Annuities Implementation Guide* (*PPfA Implementation Guide*) and to provide examples and further exposition for various modeling issues. It supplements the *PPfA Implementation Guide* and will assist the reader in modeling features, subsequent premium, qualified plans and contract role restrictions, and dates. It should only be read after the *PPfA Implementation Guide*. This document only addresses how products should be modeled in the PPfA in order for EbixExchange to correctly process them.

To best utilize this Appendix, the reader will need the following:

- A copy of the *PPfA Implementation Guide* – this can be downloaded from www.navanet.org. Please use version 2.16.01 (or more up-to-date versions when they become available) of the *PPfA Implementation Guide* with the following caveats: the only type codes and objects not in 2.16.01 that are being used are listed on the "Private Type Codes" tab of the *Fields a la Carte* spreadsheet.

- A copy of the ACORD 2.16.01 Life Schema – this schema is available from your EbixExchange Project Manager, www.acord.org, or from your vendor

- An XML tool to view the schema and to build and validate XML

The XML snippets in the examples of this Appendix are not complete in terms of how the entire object should be modeled. Only the code essential to illustrate the point is included.

D.2 Guiding Principals

Principles:

No Ambiguity – Don't assume any particular interpretation of an ambiguity. Get confirmation.

Definition: The exact meaning of every rule expressed in the PPfA should be clear. In those cases where the ACORD model and the current *PPfA Implementation Guide* are silent or unclear, a consensus on the meaning should be rapidly achieved giving primary weight to consistency and the capability of extending the ACORD model to cover anticipated functionality requirements and secondary weight to utility. If there is any uncertainty about how to express a rule, please obtain assistance from EbixExchange or a preferred vendor.

Example: The PPfA is not explicit about the Transaction Amount (or Periodic Amount) for a Feature Option. Neither the amount type, nor even whether the data element should be captured is explicitly addressed. This Appendix offers an unambiguous interpretation. It is imperfect, but preliminary ACORD Working Group discussions have arrived at a loose consensus on the direction of future extensions to the ACORD model.

No Abuse of ACORD Model – if it's not in the ACORD Model, don't force it.

Definition: For those data requirements not currently in the ACORD PPfA model, one should not try to cleverly reinterpret elements to achieve the required capabilities. One should use an OLifEExtension mutually agreed upon with EbixExchange instead.

Example: Don't use MinPct and MaxPct to infer that the Transaction Amount Type for a Feature Option is percentage.

Use the Model as it is now – only absolutely necessary additions from anticipated future releases will be made.

Definition: The parties need to code to some standard. The exact policy detailing which critical parts of the next release should be included can be found elsewhere. It is expected that as the standard stabilizes, the need to look to future releases will be eliminated.

One Preferred Way

Definition: There should be one and only one preferred way to model a variation. This will minimize the programming required for rapid implementations and improve the reliability of these implementations. Please seek assistance from EbixExchange or a preferred vendor when this arises.

Example: Both the use of BusinessMethodAllowed and the presence of a Subsequent Premium arrangement indicate that sub-pays are permitted. EbixExchange supports the second method only. Hopefully, the first method will be deprecated by ACORD eventually.

Example of Violation of this Principle: Both JurisdictionCC and JurisdictionApproval may be used to indicate state availability for many objects. On any single object, only one of these may be used.

Back End Correspondence

Definition: The back end (NBfA, DTCC APP, etc.) should be in as close correspondence with the PPfA as possible.

Explicit – Not Implicit

Definition: Modeling should be as type code blind as possible. That is, which data elements are to be collected should be determined by the PPfA to the maximum extent possible and type code values should only affect the meaning of the data.

D.3 Features & Transactions

Features in PPfA are either classified as arrangements or as riders. The classification is one of industry usage. The dividing line can be blurred, but the current bottom line is that the riders are pulled from one list and arrangements are pulled from another list.

- **Riders** – Generally, the information collected for a rider consists purely of whether or not the rider was selected, although some riders require data captures for duration, amount, or insured. EbixExchange only supports collecting whether or not the rider was selected and if so, what option.

- **Arrangements** - Arrangements are more complex. The data necessary to support them for order entry may include scheduling, source and destination allocations, transaction amounts, etc.

> The ArrSubType and RiderSubType elements were introduced to FeatureOptProduct to further classify riders and arrangements. With the November migration to 2.16, EbixExchange does not currently support the subtype codes to drive logic on the platform; however, the PPfA will not be rejected if values are modeled in these elements.

Financial transactions are intimately related to Features. Up through 2.11, the PPfA did not explicitly address which Features were to be grouped with which transaction (the PPfA was developed primarily for applications, with subpays included as an afterthought). Through 2.11, all Features linked (through FeatureRequisite or FeatureOptRequisite) to a Subsequent Premium Feature were associated with the Subsequent Premium transaction, and all other Features were associated with the Application transaction (one can see that an explicit mechanism is required by considering the case of the Systematic Withdrawal Feature within the Application transaction and the Systematic Withdrawal setup transaction performed post-issue, particularly if the rules are different post-issue). With the 2.16 migration, the FeatureTransactionProduct object was added to AnnuityProduct to explicitly indicate which FeatureProducts are associated with which transaction types, such as Application, Subpay, or Fund Transfer.

Caveat FeatureTransactionProduct and FeatureProductInfo are **required** and must exist within the AnnuityProduct for EbixExchange.

Note If a transaction type is not included in the FeatureTransactionProduct, AnnuityNet will NOT display the product on the Carrier / Product selection screen. For example, if a FeatureTransactionProduct is not modeled with a subpay transaction TransType (tc=508), the product will not be included in the selection list of products for that carrier. Additionally, if a FeatureCode is not modeled in FeatureProductInfo, the feature will NOT display on the Benefits page for that particular transaction.

FeatureTransactionProduct

- **TransType:** The transaction types supported by EbixExchange are tc=103=New Business, tc=508=Subsequent Premium.
- **ArrType:** Not used by EbixExchange

FeatureProductInfo: Points to the FeatureProducts associated with the transaction.

- **FeatureCode:** The FeatureCode for the FeatureProduct associated with the transaction. This is required. In the absence of ProductCode, all options are associated with the transaction.
- **ProductCode:** The ProductCode for the FeatureOptProduct associated with the transaction. This is optional and may be used to indicate that a specific option is associated with the transaction. If only the FeatureProduct.FeatureCode is modeled, all options within the Feature are available with the transaction.

Note Each FeatureCode modeled at the FeatureProduct level must be unique; there cannot be two instances of a FeatureProduct modeled with the same FeatureCode. Carriers are to ensure that, if a FeatureCode with a NULL ProductCode is present in FeatureProductInfo, then each individual ProductCode is not also enumerated in a different FeatureProductInfo for the same FeatureTransactionProduct.

Note The Distributor Delta functionality in Foundry should be used to restrict a Correspondent Model from a transaction type. EbixExchange does not support a Correspondent linked to a PolicyProduct having Subpay only and another Correspondent model linked to a different PolicyProduct having both New Business and Subpay.

PolicyStatusCC/PolicyStatus: The policy status that the transaction is available for. EbixExchange supports the following items:

● **Interaction with Other Features**

The context within FeatureTransactionProduct is taken into account when processing FeatureOptRequisites and FeatureOptConflicts. That is, for a transaction, any requisites to a FeatureOptProduct **not** referenced in the appropriate FeatureTransactionProduct are ignored.

Additionally, the same rules apply when processing FeatureOptConflicts. FeatureOptConflicts indicate feature options that are not available simultaneously (and thus cannot both be selected) with the rider or service program options being described. Any conflicts to a FeatureOptProduct must also be referenced in the FeatureTransactionProduct, otherwise the conflict is ignored.

For example, the FeatureCodes of DBO1 (Annual Death Benefit Rider and GMIB Plus) includes a FeatureOptRequisite for FeatureCode DBO2. Since DBO2 is not referenced in the FeatureTransactionProduct, the requisite will be ignored.

```
<FeatureTransactionProduct>
        <TransType tc="103">New Business Submission</TransType>
        <FeatureProductInfo>
                <FeatureCode>IP</FeatureCode>
        </FeatureProductInfo>
        <FeatureProductInfo>
                <FeatureCode>DBO1</FeatureCode>
                <ProductCode>SDB</ProductCode>
        </FeatureProductInfo>
</FeatureTransactionProduct>
```

```
<FeatureProduct>
        <FeatureCode>DBO1</FeatureCode>
        <Name>Annual Death Benefit Rider and GMIB Plus</Name>
        <RiderTypeCode tc="206">Death Benefit (DBO)</RiderTypeCode>
        <FeatureOptProduct>
                <!— Annual Death Benefit Rider and GMIB Plus -->
                <ProductCode>DSB</ProductCode>
                <Name> Annual Death Benefit Rider and GMIB Plus </Name>
                <FeatureOptRequisite>
                        <FeatureCode>DBO2</FeatureCode>
                        <ProductCode>O01</ProductCode>
                </FeatureOptRequisite>
        </FeatureOptProduct>
</FeatureProduct>
```

The following example illustrates the FeatureTransactionProduct defining the transaction type (103 – New Business), the FeatureProductInfo linking the features associated with the transaction. Also

corrected with the migration to 2.16 was EbixExchange limitation where the same FeatureProduct code could not be shared across the Initial Premium and Subsequent Premium feature options. In this example, both the Initial Premium and Subpay point to the same AA feature.

```
<FeatureTransactionProduct>
        <TransType tc="103">New Business Submission</TransType>
        <FeatureProductInfo>
                <FeatureCode>IP</FeatureCode>
        </FeatureProductInfo>
        <FeatureProductInfo>
                <FeatureCode>AA</FeatureCode>
                <ProductCode>AA</ProductCode>
        </FeatureProductInfo>
        <FeatureProductInfo>
                <FeatureCode>GMB</FeatureCode>
                <ProductCode>MIB</ProductCode>
        </FeatureProductInfo>
        <FeatureProductInfo>
                <FeatureCode>DBO</FeatureCode>
        </FeatureProductInfo>
</FeatureTransactionProduct>
<FeatureTransactionProduct>
        <TransType tc="508">Payment Transaction</TransType>
        <FeatureProductInfo>
                <FeatureCode>SUB</FeatureCode>
        </FeatureProductInfo>
        <FeatureProductInfo>
                <FeatureCode>AA</FeatureCode>
                <ProductCode>AA</ProductCode>
        </FeatureProductInfo>
</FeatureTransactionProduct>


<FeatureProduct>
        <FeatureCode>IP</FeatureCode>
        <Name>Initial Premium</Name>
        <ArrType tc="19">Initial Premium</ArrType>
        <FeatureOptProduct>
                <!--Asset Allocation Program-->
                <ProductCode>AA</ProductCode>
                <Name>Asset Allocation Program</Name>
                <FeatureOptRequisite>
                        <FeatureCode>AA</FeatureCode>
                        <ProductCode>AA</ProductCode>
                </FeatureOptRequisite>
        </FeatureOptProduct>
</FeatureProduct>

<FeatureProduct>
        <!--Asset Allocation -->
```

```
<FeatureCode>AA</FeatureCode>
<Name>Asset Allocation</Name>
<ArrType tc="21">Asset Allocation</ArrType>
<FeatureOptProduct>
        <!--Asset Allocation-->
        <ProductCode>AA</ProductCode>
        <Name>Asset Allocation</Name>
        <DestInvestProduct>
                <CarrierCode>65935</CarrierCode>
                <ProductCode>MA</ProductCode>
        </DestInvestProduct>
        <DestInvestProduct>
                <CarrierCode>65935</CarrierCode>
                <ProductCode>MB</ProductCode>
        </DestInvestProduct>
</FeatureOptProduct>
</FeatureProduct>
```

The Subsequent Premium FeatureProduct and FeatureOptProduct points to the same Asset Allocation feature code as the FeatureProduct for Initial Premium.

```
<FeatureProduct>
        <FeatureCode>SUB</FeatureCode>
        <Name>Subsequent Premium</Name>
        <ArrType tc="39">Subsequent Premium</ArrType>
        <FeatureOptProduct>
                <ProductCode>AA</ProductCode>
                <Name>Asset Allocation Program</Name>
                <FeatureOptRequisite>
                        <FeatureCode>AA</FeatureCode>
                        <ProductCode>AA</ProductCode>
                </FeatureOptRequisite>
        </FeatureOptProduct>
</FeatureProduct>
```

Common to Arrangements and Riders

The following types of data (selection rule, option, transaction amount) may be collected to support an arrangement or rider for new business and are depicted in scenarios as follows:

- **Selection Rule** – A *selection rule* specifies whether a feature is mandatory or optional. For features that have a Selection Rule of "3" – Rider Mandatory/Default Value of Feature Option Allowed but only have a single instance of FeatureOptProduct, the radio will be automatically selected on the Benefits Page. If carrier does not wanted the single option to be defaulted for a mandatory selection, then the Selection Rule should be "4" – Rider Mandatory/User Selection of Feature Option Required.

  For a Selection Rule of "1" – Rider Optional – Selection Optional / Default Value of Rider Option Allowed will default to "None" or "No". Selection Rule of "2" – Rider Optional / User Selection of Rider Option Required will not have any default and will require the user to make a selection. An option of None (or No if there is only a single Feature Option on a service program) will be presented to decline the feature.

- **Option** – An *option* is a flavor of a feature. In the PPfA each feature has at least one *option*. Information is detailed at both the feature and option levels.

    ➢ Scenario 1 – Single option available to the feature

        ▪ Only the Arrangement Type (ArrType) ACORD definition of the Type Code is displayed. The option name may not be omitted because of its use in various distributor disclosure forms.

        ▪ **Example**: – An Automatic Rebalancing Service Program with a single *option* (no choices) in this context (scheduling and allocation choices are not considered *options* in this sense).

```
<FeatureProduct>
    <FeatureCode>AR</FeatureCode>
    <ArrType tc = "3">Asset Rebalancing</ArrType>
    <FeatureOptProduct>
        <ProductCode>AR</ProductCode>
        <Name>Standard Automatic Rebalance</Name>
        <ArrSubType tc="17">Standard Asset Rebalancing</ArrSubType>
    </FeatureOptProduct>
</FeatureProduct>
```

    ➢ Scenario 2 – Multiple options available to the feature, but customer restricted to one option based on state and qualified plan.

        ▪ Only the Rider Type (RiderTypeCode) ACORD definition of the Type Code is displayed.

        ▪ Example - A product, at the national level, has a death benefit rider available with three options (Standard Death Benefit, Annual Step-Up, and Return of Premium). The state of New Jersey limits the customer to a single option (i.e., Standard Death Benefit).

```
<PolicyProduct>
    <JurisdictionCC>
        <Jurisdiction tc="1">Alabama</Jurisdiction>
        <Jurisdiction tc="2">Alaska</Jurisdiction>
        .
        .
        <Jurisdiction tc="35">New Jersey</Jurisdiction>
        .
        .
        <Jurisdiction tc="59">Wyoming</Jurisdiction>
    </JurisdictionCC>
    <AnnuityProduct>
        <FeatureProduct>
            <FeatureCode>DB</FeatureCode>
```

```
<RiderTypeCode> tc = "206">Guaranteed Death
Benefit</RiderTypeCode>
<FeatureOptProduct>
    <ProductCode>DB1</ProductCode>
    <Name>Principal Protection</Name>
    <RiderSubType tc="1022500028">Standard Death
     Benefit</RiderSubType>
</FeatureOptProduct>
<FeatureOptProduct>
    <ProductCode>DB2</ProductCode>
    <JurisdictionCC>
        <Jurisdiction tc="1">Alabama</Jurisdiction>
        <Jurisdiction tc="2">Alaska</Jurisdiction>
        .
        .
        .
        .
        <Jurisdiction tc="59">Wyoming</Jurisdiction>
    </JurisdictionCC>
    <Name>Annual Step-Up</Name>
    <RiderSubType tc="4">Stepped-Up</RiderSubType>
</FeatureOptProduct>
<FeatureOptProduct>
    <ProductCode>DB3</ProductCode>
    <JurisdictionCC>
        <Jurisdiction tc="1">Alabama</Jurisdiction>
        <Jurisdiction tc="2">Alaska</Jurisdiction>
        .
        .
        .
        <Jurisdiction tc="59">Wyoming</Jurisdiction>
    </JurisdictionCC>
    <Name>Return of Premium</Name>
    <RiderSubType tc="5">Return of Premium</RiderSubType>
</FeatureOptProduct>
        </FeatureProduct>
    </AnnuityProduct>
</PolicyProduct>
```

➢ **Scenario 3 – Multiple options available to the customer based on state and qualified plan.**

- The Rider Type (RiderTypeCode) ACORD definition of the Type Code is displayed and the names for each option are displayed.

- **Transaction Amount** – For riders see the description on the FeatureOptProduct element in the *PPfA Implementation Guide*, for arrangements there are significant modeling issues please see the "Arrangements" section of this document.

Caveat — For riders, EbixExchange does not support the collection of any information other than which option was selected.

Allowable Circumstances for Selecting the Feature and Option:

Availability by State – State Availability for Investment Options: Using the PPfA via the FeatureOptProduct.JurisdictionApproval the platform will support Subsequent Premium Investment Options by state. On the Contract Information page, only the Subsequent Investment Options available in the Policy Contract State will display. Also, see the description on the JurisdictionCC and JurisdictionApproval elements in the *PPfA Implementation Guide.*

Note — To limit the display of features by state, only list the available states in FeatureProduct.JurisdictionApproval. To limit the feature options by state, list the available states in FeatureOptProduct.JurisdictionApproval. If JurisdictionCC or JurisdictionApproval is specified at a parent level (e.g. PolicyProduct) and it is also modeled at a child level (e.g. FeatureProduct), the child level may only further restrict (and not expand) the applicable states.

- **Availability by Qualified Plan** – With the introduction of FeatureOptProduct.QualifiedPlanEntity.QualifiedPlanCC, the NAVA Data Conformity working group agreed to no longer support FeautreOptProduct.QualifiedPlanCC and only support FeatureOptProduct.QualifiedPlanEntity.QualifiedPlanCC with version 2.16.

- **Availability by Entity Type** – Riders can be available based on the entity type (Individual / Organization), and if an organization it's org form (Corporation, Partnership, etc).

- **Availability by Account Designation** – Riders such as Guaranteed Minimum Withdrawal for Life Benefit (GWLB) (aka Spousal Rider) may have specific business rules where availability is restricted to specific Account Designations such as Owner, Self Directed, Custodial, etc.)

Note — If there are Account Designations that are specifically excluded from being eligible for a rider, the carrier will only model the allowable Account Designations. Conversely, if the rider does not have any Account Designation restrictions, the Account Designation will not be modeled within the Feature at all.

- **Availability by Allowed Relationships** – Rider relationships can be restricted based on the Allowed Relationships. When the AllowedRelationship is present under FeatureOptProduct, only those defined relationships are allowed for that specific rider. The absence of the AllowedRelationship means all relationships that exist at the product level are allowed. If AllowedRelationship is missing, this feature is not further restricted.

Note — When multiple Allowed Relationships exist, the assumption is an "or" condition, not an "and" situation. For example, if the rider elected contains the AllowedRelationships of "Spouse" for Joint Annuitant and "Spouse" for Beneficiary, the assumption is an "or" condition. The "and" situation is currently under review by the ACORD Data Conformity Working Group.

Caveat — An assumption not currently supported in the PPfA today is that when the Spouse is "required" to be the Beneficiary then only one primary beneficiary may be collected. The ACORD Data Conformity Working Group is addressing this issue.

- **Example** – The Spousal Rider is available for the following 3 options: Single, Joint and Custodial. The ProductCodes are the same since each instance of the feature option varies by the recognition of Qualified Plan Entity, Entity Type, Account Designation or Jurisdiction.

Caveat — A separate FeatureOptProduct for custodial contains a QualifiedEntity for custodial and should not include an AllowedRelationship because the platform logic is hardcoded to collect "Relation to Annuitant" and the only allowed relationships for the Custodial Account Beneficiary page are Husband and Wife.

Spousal Rider logic is triggered by the combination of RiderTypeCode =215 (GWLB) and LivesType = 9 (Either Single or Joint) or 10 (Joint). For Non-Custodials,

```
<FeatureProduct>
        <FeatureCode>GWLB</FeatureCode>
        <RiderTypeCode tc="215"< Guaranteed Min Withdrawal for Life </RiderTypeCode>
        <FeatureOptProduct>
                <ProductCode>GWLB Spousal Rider</ProductCode>
                <Name>GWLB for Single</Name>
                <LivesType tc="1">Single Life</LivesType>
                <RiderSubTypeCode tc="11">Standard GWLB</RiderSubTypeCode>
                <QualifiedPlanEntity>
                        <QualifiedPlanCC>
                                <QualifiedPlan tc="1">INon-Qualified</QualifiedPlan>
                                <QualifiedPlan tc="2">401k</QualifiedPlan>
                                <QualifiedPlan tc="3">403B</QualifiedPlan>
                                <QualifiedPlan tc="4">457</QualifiedPlan>
                                <QualifiedPlan tc="5">IRA</QualifiedPlan>
                                <QualifiedPlan tc="6">Roth IRA</QualifiedPlan>
                                <QualifiedPlan tc="8">SEP IRA</QualifiedPlan>
                        </QualifiedPlanCC>
                        <AccountDesignationCC>
                                <AccountDesignation tc="3">Owner</AccountDesignation>
                                <AccountDesignation tc="4">Self Directed</AccountDesignation>
                                <AccountDesignation tc="6">UTMA/UGMA</AccountDesignation>
                        </AccountDesignationCC>
                </QualifiedPlanEntity>
                <Fee id="GLWB_FEE1">
                        <FeeType tc="4">Base M and E Fee</FeeType>
```

```
            <FeeMode tc="8">Daily</FeeMode>
            <Description>Rider Fee associated with the GLWB Rider </Description>
            <FeePct>.25</FeePct>
      </Fee>
      <AllowedRelationship>
            <OriginatingRole tc="8">Owner</OriginatingRole>
            <RelatedRole tc="34">Beneficiary</RelatedRole>
            <RelationshipCC>
                  <Relationship tc="1">Spouse</Relationship>
            </RelationshipCC>
      </AllowedRelationship>
      <AllowedRelationship>
            <OriginatingRole tc="8">Owner</OriginatingRole>
            <RelatedRole tc="35">Annuitant</RelatedRole>
            <RelationshipCC>
                  <Relationship tc="1">Spouse</Relationship>
            </RelationshipCC>
      </AllowedRelationship>
</FeatureOptProduct>
<FeatureOptProduct>
      <ProductCode>GWLB Spousal Rider</ProductCode>
      <Name>GWLB for Joint</Name>
      <LivesType tc="10">Joint - First/Last-to-die Not-Applicable or Undetermined</LivesType>
      <RiderSubTypeCode tc="11">Standard GWLB</RiderSubTypeCode>
      <QualifiedPlanEntity>
            <QualifiedPlanCC>
                  <QualifiedPlan tc="1">INon-Qualified</QualifiedPlan>
            </QualifiedPlanCC>
            <AccountDesignationCC>
                  <AccountDesignation tc="8">Joint</AccountDesignation>
            </AccountDesignationCC>
      </QualifiedPlanEntity>
      <Fee id="GLWB_FEE2">
            <FeeType tc="4">Base M and E Fee</FeeType>
            <FeeMode tc="8">Daily</FeeMode>
            <Description>Rider Fee associated with the GLWB Rider for Joint </Description>
            <FeePct>.35</FeePct>
      </Fee>
      <AllowedRelationship>
            <OriginatingRole tc="8">Owner</OriginatingRole>
            <RelatedRole tc="35">Annuitant</RelatedRole>
            <RelationshipCC>
                  <Relationship tc="1">Spouse</Relationship>
            </RelationshipCC>
      </AllowedRelationship>
      <AllowedRelationship>
            <OriginatingRole tc="8">Owner</OriginatingRole>
            <RelatedRole tc="183">Joint Annuitant</RelatedRole>
            <RelationshipCC>
                  <Relationship tc="1">Spouse</Relationship>
            </RelationshipCC>
      </AllowedRelationship>
      <AllowedRelationship>
            <OriginatingRole tc="8">Owner</OriginatingRole>
```

```
                    <RelatedRole tc="184">Joint Owner</RelatedRole>
                    <RelationshipCC>
                            <Relationship tc="1">Spouse</Relationship>
                    </RelationshipCC>
            </AllowedRelationship>
            <AllowedRelationship>
                    <OriginatingRole tc="8">Owner</OriginatingRole>
                    <RelatedRole tc="183">Joint Annuitant</RelatedRole>
                    <RelationshipCC>
                            <Relationship tc="1">Spouse</Relationship>
                    </RelationshipCC>
            </AllowedRelationship>
            <AllowedRelationship>
                    <OriginatingRole tc="8">Owner</OriginatingRole>
                    <RelatedRole tc="34">Primary Beneficiary</RelatedRole>
                    <RelationshipCC>
                            <Relationship tc="1">Spouse</Relationship>
                    </RelationshipCC>
            </AllowedRelationship>
            <AllowedRelationship>
                    <OriginatingRole tc="8">Owner</OriginatingRole>
                    <RelatedRole tc="36">Contingent Beneficiary</RelatedRole>
                    <RelationshipCC>
                            <Relationship tc="1">Spouse</Relationship>
                    </RelationshipCC>
            </AllowedRelationship>
    </FeatureOptProduct>
    <FeatureOptProduct id="SA_BSD1_FP20_FO3">
            <ProductCode>GWLB Spousal Rider</ProductCode>
            <Name>GWLB for Custodial</Name>
            <LivesType tc="10">Joint - First/Last-to-die Not-Applicable or Undetermined</LivesType>
            <RiderSubTypeCode tc="11">Standard GWLB</RiderSubTypeCode>
            <QualifiedPlanEntity>
                    <QualifiedPlanCC>
                            <QualifiedPlan tc="1">INon-Qualified</QualifiedPlan>
                            <QualifiedPlan tc="2">401k</QualifiedPlan>
                            <QualifiedPlan tc="3">403B</QualifiedPlan>
                            <QualifiedPlan tc="4">457</QualifiedPlan>
                            <QualifiedPlan tc="5">IRA</QualifiedPlan>
                            <QualifiedPlan tc="6">Roth IRA</QualifiedPlan>
                            <QualifiedPlan tc="8">SEP IRA</QualifiedPlan>
                    </QualifiedPlanCC>
                    <AccountDesignationCC>
                            <AccountDesignation tc="5">Custodial</AccountDesignation>
                    </AccountDesignationCC>
            </QualifiedPlanEntity>
            <Fee id="GLWB_FEE3">
                    <FeeType tc="4">Base M and E Fee</FeeType>
                    <FeeMode tc="8">Daily</FeeMode>
                    <Description>Rider Fee associated with the GLWB Rider for
Custodial</Description>
                    <FeePct>.35</FeePct>
            </Fee>
    </FeatureOptProduct>
```

```
</FeatureProduct>
```

- **Requisite Funds by Feature Option –** This provides carriers with the ability to require the selection of fund, category or model when a rider or arrangement is selected. When a rider or arrangement is selected that contains the requisite fund restriction, the request will only display those categories and funds on the Premium Allocation page that are defined in the RequisiteInvestProduct. Refer to D.26 – **Rider Allocation Rules**.

Modeling example of the standard use of RequisiteInvestProduct – When Rider "X" is selected FUND1, 2, and 3 are required (All are required).

- The IP option contains the list of funds for allocation.
- Rider X contains RequisiteInvestProduct listing FUND1, 2 and 3.
- FUND1, 2 and 3 are a subset of the list of funds in the initial premium's DestInvestProduct.
- When Rider X is selected, Fund 1, 2, and 3 must be selected - no other funds are available for selection, regardless of what is modeled in the Initial Premium DestInvestProduct.

```
<InvestProduct >
        <InvestProductTypeCode tc="15">Variable Annuity</InvestProductTypeCode>
        <ProductCode>FUND1/ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
</InvestProduct>
<InvestProduct >
        <InvestProductTypeCode tc="15">Variable Annuity</InvestProductTypeCode>
        <ProductCode>FUND2/ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
</InvestProduct>

<InvestProduct >
        <InvestProductTypeCode tc="15">Variable Annuity</InvestProductTypeCode>
        <ProductCode>FUND3/ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
</InvestProduct>
```

Rider X containing the RequisiteInvestProduct pointing to the funds

```
<FeatureProduct >
        <FeatureCode>X</FeatureCode>
        <Name>Rider X</Name>
        <FeatureMappingCode tc="86">Rider</FeatureMappingCode>
        <RiderTypeCode tc="204"/>
        <FeatureOptProduct >
                <ProductCode>PLUS</ProductCode>
                <Name>PLUS</Name>
                <RiderSubTypeCode tc="8">Standard GMIB</RiderSubTypeCode>
                <RequisiteInvestProduct>
                        <CarrierCode>BLUE_SKY</CarrierCode>
                        <ProductCode>FUND1</ProductCode>
                </RequisiteInvestProduct>
```

```
<RequisiteInvestProduct>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>FUND2</ProductCode>
</RequisiteInvestProduct>
<RequisiteInvestProduct>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>FUND3</ProductCode>
</RequisiteInvestProduct>
</FeatureOptProduct>
```

- **Only One Option May Be Selected for a Feature**

  ➢ **PPfA guiding principal** – See *PPfA Implementation Guide*

    ▪ If a feature is selected, then one and only one option must be selected for that instance.

    ▪ **It is not necessary to specify this restriction using the FeatureOptConflict element.**

    ▪ **Example** – The Stepped-Up Death Benefit is not available with the Return of Value Benefit. This is implied because both options are available within the same feature.

    ```
    <FeatureProduct>

        <FeatureCode>DB</FeatureCode>

            <RiderTypeCode> tc = "206">Guaranteed Death

            Benefit</RiderTypeCode>

        <FeatureOptProduct>

            <ProductCode>Stepped-Up</ProductCode>

            <Name>Stepped-Up</Name>

            <RiderSubType tc="4">Stepped-Up</RiderSubType>

        </FeatureOptProduct>

        <FeatureOptProduct>

            <ProductCode>Return of Premium</ProductCode>

            <Name>Return of Premium</Name>

            <RiderSubType tc="5">Return of Premium</RiderSubType>

        </FeatureOptProduct>

    </FeatureProduct>
    ```

    ▪ If the user may elect multiple options on a similar type of feature (for example, there are optional death benefits in addition to a required death benefit), then two alternatives are available: create an option that represents a combination of original options, or create each option as a separate set of feature and feature option elements. NOTE: if the first alternative is elected, EbixExchange will send only one 3332 record (with one 4223 representing all options elected) on the DTCC outbound file to the carrier.

    ▪ **Example** – The Stepped-Up Death Benefit is available with the Growth Benefit. Modeled as two separate riders.

    ```
    <FeatureProduct>
    ```

```
    <FeatureCode>DB0</FeatureCode>
        <RiderTypeCode> tc = "206">Guaranteed Death
        Benefit</RiderTypeCode>
    <FeatureOptProduct>
        <ProductCode>Stepped-Up</ProductCode>
        <RiderSubType tc="4">Stepped-Up</RiderSubType>
    </FeatureOptProduct>
</FeatureProduct>
<FeatureProduct>
    <FeatureCode>DB2</FeatureCode>
        <RiderTypeCode> tc = "206">Guaranteed Death
        Benefit</RiderTypeCode>


    <FeatureOptProduct>
        <ProductCode>Growth</ProductCode>
        <RiderSubType tc="3">Growth</RiderSubType>
    </FeatureOptProduct>
</FeatureProduct>
```

- **Example** – The Stepped-Up Death Benefit is available with Growth Benefit. Modeled as a combined option for a single rider.

```
<FeatureProduct>
    <FeatureCode>DB</FeatureCode>
        <RiderTypeCode> tc = "206">Guaranteed Death
        Benefit</RiderTypeCode>
    <FeatureOptProduct>
        <ProductCode>Stepped-Up</ProductCode>
        <Name>Step-Up</Name>
        <RiderSubType tc="4">Stepped-Up</RiderSubType>
    </FeatureOptProduct>
    <FeatureOptProduct>
        <ProductCode>Growth</ProductCode>
        <Name>Growth</Name>
        <RiderSubType tc="3">Growth</RiderSubType>
    </FeatureOptProduct>
    <FeatureOptProduct>
        <ProductCode>Step-up and Growth</ProductCode>
        <Name>Step-Up and Growth</Name>
        <RiderSubType tc="3">Growth</RiderSubType>
    </FeatureOptProduct>
</FeatureProduct>
```

Note In the above example, the RiderSubType could be either 3 or 4, since it is the ProductCode that uniquely identifies the option. Also, the ProductCode utilizes the full 20 characters supported in the outbound DTCC App/Sub file, (field 4223) to identify the combined option.

● **Interaction with Other Features**

➢ **Scenario 1 – FeatureRequisite element**

▪ This element indicates which features must be selected with the rider or service program being described.

▪ Requisite elements are not symmetric; *A is a requisite for B* does not imply that *B is a requisite for A*.

Caveat Requires that any feature pointed to by FeatureRequisite/FeatureCode must exist in the PolicyProduct, otherwise an error is returned when the PPfA is loaded.

Note Since the migration to 2.16, FeatureRequisites are no longer limited for linking SDCA (Special Dollar Cost Averaging) and AA (Asset Allocation). Carriers can now model their PPfA's to indicate which feature must be selected with the rider or arrangement being described.

▪ **Example:**– For a particular product, the selection of the Guaranteed Income Benefit requires the selection of the Secure Principal Rider. This does not mean that the Secure Principal Rider requires the selection of the Guaranteed Income Benefit.

```
<FeatureProduct>
   <FeatureCode>GIB</FeatureCode>
      <RiderTypeCode> tc = "204">Guarantee Minimum Income
      Benefit</RiderTypeCode>
   <FeatureRequisite>
      <FeatureCode>SP</FeatureCode>
   </FeatureRequisite>
</FeatureProduct>
<FeatureProduct>
   <FeatureCode>SP</FeatureCode>
   <Name>Secure Principal</Name>
</FeatureProduct>
```

➢ **Scenario 2 - FeatureOptRequisite element**

▪ This element indicates which features and options must be selected with the rider or arrangement options being described.

- Requisite elements are not symmetric; *A is a requisite for B* does not imply that *B is a requisite for A*.

- EbixExchange requires that any feature option pointed to by FeatureOptRequisite/(FeatureCode, ProductCode) must exist in the PolicyProduct, otherwise an error is returned when the PPfA is loaded.

Note Since the migration to 2.16, FeatureOptRequisites are no longer limited for linking SDCA (Special Dollar Cost Averaging) and AA (Asset Allocation). Carriers can now model their PPfA's to indicate which feature options must be selected with the rider or arrangement being described.

Note FeatureOptRequisites from initial premium options to AA or SDCA options are used to flag those initial premium options as being either SDCA or AA options. The Requisites on the SDCA and AA options may reference back to their initial premium feature option but cannot be a requisite to one another. For example: An SDCA feature option can reference to its initial premium SDCA option but cannot also reference an AA feature option .

Note To support an SDCA program where the target funds are an Asset Allocation (Stastic or Complex), the IP feature option will contain a FeatureOptRequisite pointing to both the SDCA option and the Asset Allocation option. Please see the Initial Premium Allocation section for further modeling details.

When a Rider has a requisite to the Asset Allocation, if an Initial Investment option contains a FeatureOptRequisite to SDCA and AA, the AA requisite condition will be met and vetting should not be invoked requiring the selection of the AA.

.

Note Requisites are not enforced in AnnuityNet when any given requisite option contains a SaleExipirationDate with a past date. For example, an IP option having a requisite to 4 options, and 2 of the 4 has a past date for the SaleExpirationDate. As a result, none of the requisites are enforced.

The PPfA modeling work around to correct this issue is to remove the requisites for which the FeatureOptProduct.SaleExpirationDate has passed. Once this is done the requisites will be enforced as expected for the FeatureOptProduct which have not expired

.

- In the case where a feature is required (any one of its options is allowed), there are two acceptable methods of coding. The first is to include the FeatureCode but no ProductCode. The second is to repeat the FeatureOptRequisite for each option.

- In the case where one of several options of a particular feature is required, the FeatureOptRequisite element is repeated for each of the several options. The interpretation that one of the options is required rather than all being required is consistent with the *PPfA Implementation Guide's* "Guiding Principle" that at most one option of a feature may be selected. EbixExchange supports at most 1 option of a feature to be selected.

- With the FeatureTransactionProduct, the transaction context is taken into account when processing FeatureOptRequisites. That is, for a transaction, any requisites to a FeatureOptProduct not referenced in the appropriate FeatureTransactionProduct.FeatureProductInfo are ignored.

- In particular, this may be used within various options of the Initial Premium Allocation Arrangement to indicate the arrangement associated with the option.

- **Example:**– Selection of the Nursing Home Rider option requires selection of the Health Insurance Rider and its standard option.

```
<FeatureProduct>

    <FeatureCode>HB</FeatureCode>

        <RiderTypeCode> tc = "213">Health Insurance

        Rider</RiderTypeCode>

    <FeatureOptProduct>

        <ProductCode>Long Term Care</ProductCode>

        <Name>Long Term Care</Name>

         <RiderSubType tc="21">Long Term Care</RiderSubType>

    </FeatureOptProduct>

<FeatureProduct>

<FeatureProduct>

    <FeatureCode>NH</FeatureCode>

        <RiderTypeCode> tc = "215">Guaranteed Minimum Withdrawal

        for Life Benefit</RiderTypeCode>

    <Name>Nursing Home</Name>

    <FeatureOptProduct>

        <ProductCode> Nursing Home GWB </ProductCode>

        <Name> Nursing Home GWB </Name>

         <RiderSubType tc="13">Long Term Care</RiderSubType>

        <FeatureOptRequisite>

            <FeatureCode>HB</FeatureCode>

            <ProductCode>Long Term Care</ProductCode>

        </FeatureOptRequisite>

    </FeatureOptProduct>

<FeatureProduct>
```

> **Scenario 3 - FeatureConflict element**

- This element indicates features not available simultaneously (and thus they cannot be selected) with the rider or arrangement being described.

- Conflict elements are symmetric – *A conflicts with B* has the same meaning as *B conflicts with A*.

- EbixExchange requires that any feature pointed to by FeatureConflict/FeatureCode must exist in the PolicyProduct, otherwise an error is returned when the PPfA is loaded.

- **Example:**– A product offers a DCA program as well as an Automatic Rebalance program, but prohibits the selection of both programs. This is the most common use for this element.

```
<FeatureProduct>
    <FeatureCode>DCA</FeatureCode>
    <ArrType> tc = "2">Dollar Cost Averaging</ArrType>
    <FeatureConflict>
        <FeatureCode>AR</FeatureCode>
    </FeatureConflict>
</FeatureProduct>
<FeatureProduct>
    <FeatureCode>AR</FeatureCode>
        <ArrType> tc = "3">Health Insurance Rider</ArrType>
</FeatureProduct>
```

> **Scenario 4- FeatureOptConflict element**

- This element indicates feature options that are not available simultaneously (and thus they cannot both be selected) with the rider or service program options being described.

- Conflict elements are symmetric – *A conflicts with B* has the same meaning as *B conflicts with A*.

- EbixExchange requires that any feature option pointed to by FeatureOptConflict/(FeatureCode, ProductCode) must exist in the PolicyProduct, otherwise an error is returned when the PPfA is loaded.

- **Example:** The Interest Only option of the Systematic Withdrawal Arrangement cannot be co-selected with the Cross Reinvestment option of the DCA Arrangement on the same application.

```
<FeatureProduct>
    <FeatureCode>SW</FeatureCode>
    <ArrType> tc = "38">Systematic Withdrawal</ArrType>
    <FeatureOptProduct>
        <ProductCode>Interest Only</ProductCode>
```

```
            <Name>Interest Only</Name>
            <ArrSubType tc="10">Interest-Only Withdrawal</ArrSubType>
        </FeatureOptProduct>
        <FeatureOptProduct>
            <ProductCode>Percent of Contract Withdrawal</ProductCode>
            <Name>Percent of Contract Withdrawal </Name>
            <ArrSubType tc="5">Percent of Contract Withdrawal
            </ArrSubType>
        </FeatureOptProduct>
    <FeatureProduct>
    <FeatureProduct>
        <FeatureCode>DCA</FeatureCode>
        <ArrType> tc = "2">Dollar Cost Averaging</ArrType>
        <FeatureOptProduct>
            <ProductCode>Dollar Cost Averaging</ProductCode>
            <Name>Standard Dollar Cost Averaging</Name>
            <ArrSubType tc="1">Standard Dollar Cost
            Averaging</ArrSubType>
        </FeatureOptProduct>
        <FeatureOptProduct>
            <ProductCode>Cross Reinvestment DCA</ProductCode>
            <Name>Cross Reinvestment</Name>
            <ArrSubType tc="1">Standard Dollar Cost
            Averaging</ArrSubType>
            <FeatureOptConflict>
                <FeatureCode>SW</FeatureCode>
                <ProductCode>Interest Only</ProductCode>
            </FeatureOptConflict>
        </FeatureOptProduct>
    <FeatureProduct>
```

- In the case where all options of a feature are prohibited the FeatureCode but no ProductCode could be included in the FeatureOptConflict element or all options may be listed so the specific instructions are not implied.

- **Example:** – The Interest Only option of the Systematic Withdrawal Arrangement cannot be co-selected with the Asset Rebalance Arrangement.

```
<FeatureProduct>
    <FeatureCode>SW</FeatureCode>
    <ArrType> tc = "38">Systematic Withdrawal</ArrType>
    <FeatureOptProduct>
        <ProductCode>Interest Only</ProductCode>
        <Name>Interest Only</Name>
```

```
                <ArrSubType tc="10">Interest-Only Withdrawal</ArrSubType>
                <FeatureOptConflict>
                    <FeatureCode>AR</FeatureCode>
                </FeatureOptRequisite>
            <FeatureOptProduct>
                <ProductCode>Percent of Contract Withdrawal</ProductCode>
                <Name>Percent of Contract Withdrawal </Name>
                <ArrSubType tc="5">Percent of Contract Withdrawal
                </ArrSubType>
            </FeatureOptProduct>
        </FeatureProduct>
        <FeatureProduct>
            <FeatureCode>AR</FeatureCode>
            <ArrType> tc = "3">Asset Rebalance</ArrType>
            <FeatureOptProduct>
                <ProductCode>Standard Rebalance</ProductCode>
                <Name>Standard Asset Rebalance</Name>
                <ArrSubType tc="17">Standard Asset Rebalance</ArrSubType>
            </FeatureOptProduct>
        <FeatureProduct>
```

- **Age Limits** – see the descriptions on the PolicyProduct, Ownership and FeatureOptProduct elements in the PPfA Implementation Guide.

> **Note**   If AllowExceptionsToAgeInd is true, then a violation of age limits results in a warning message, but the application (or subpay in the case where Account Inquiry is enabled) is permitted to continue.

- **Premium Limits** – see the descriptions on the PolicyProduct and Ownership elements in the *PPfA Implementation Guide.*

> **Note**   If AllowExceptionsToMaxPremiumInd or AllowExceptionsToMinPremiumInd are true, then a violation of premium limits results in a warning message, but the application or subpay is permitted to continue.

-

D.4 Arrangements

> **Caveat**   The arrangements supported include: Systematic Withdrawal (SWD), Automatic Payment or Systematic Investment(AP), Initial Premium Allocation (IP), Subsequent Premium Allocation (SUB), Standing Allocation (SAL), Dollar Cost Averaging (DCA), Special Dollar Cost Averaging (SDCA), Interest Sweep (IS), Asset Allocation (AA), and Rebalancing (AR)..

Note

The FeatureOptProduct/MinNumDestinationInvestments is supported as an optional property which applies to all Arrangements. If the field is utilized by the carrier in the PPfA, the Vetting message will display on the wizard when the minimum defined is not met or exceeded.

"For [option name], the number of fund allocations ([actual to allocations]) must be greater than or equal to [value of MinNumDestinationInvestments]."

The following types of data particular to arrangements may be collected to support new business:

- **Scheduling**

  ➢ The number of times permitted varies by mode and is inferred from MinTerm, MaxTerm, and TermQualifier as per the PPfA Implementation Guide. If these properties vary by PaymentMode, within PaymentModeMethProduct, then the Term Limit, Percent Limit and Transaction Amount will be valued under PaymentModeMethProduct and not under FeatureOptProduct.

  ➢ The AllowedDayCC element is no longer required by EbixExchange in all the PaymentModeMethProduct objects. If all start dates must be day 1-28 of the month, then the AllowedDayCC should have 28 AllowedDay children.

  Caveat The PPfA AllowedDayCC and Fields a la Carte drive the display of Day of Month on the platform. If a carrier does not require Day of Month, Fields a la Carte should be turned "off" and AllowedDayCC will not be modeled in the PPfA. The field is required when AllowedDayCC is modeled and FAC has this turned "ON". If FAC is turned "ON", and the PPfA is not modeled, then a list of days will display. If the PPfA is modeled with AllowedDayCC and it is not turned on, then it will not display on the platform.

  ➢ The particular data elements to be collected are communicated via the DateCollection aggregate and are not currently supported by EbixExchange. . EbixExchange has a standard set (start date or start month and number of transactions) which may be amended via Fields a la Carte to include any of (start date, start month, process day, number of transactions).

  ➢ **Example** – A DCA program occurs monthly or quarterly and must last for between one and five years. The transfers occur on either the 1st or the 15th of the month.

```
<FeatureOptProduct>
    <TermMin>1</TermMin>
    <TermMax>5</TermMax>
    <TermQualifier tc = "1">Year</TermQualifier>
    <PaymentModeMethodProduct>
        <Mode tc = "4">Quarterly</Mode>
        <AllowedDayCC>
          <AllowedDay tc = "1">1</AllowedDay>
          <AllowedDay tc = "15">15</AllowedDay>
        </AllowedDayCC>
    </PaymentModeMethodProduct>
    <PaymentModeMethodProduct>
        <Mode tc = "12">Monthly</Mode>
        <AllowedDayCC>
          <AllowedDay tc = "1">1</AllowedDay>
          <AllowedDay tc = "15">15</AllowedDay>
        </AllowedDayCC>
    </PaymentModeMethodProduct>
</FeatureOptProduct>
```

- **Transaction Amounts, Source Amounts, and Destination Amounts** – The support for these amounts in the PPfA is substantial but not comprehensive. The AllocTypeProduct element is used to determine the ways in which investments can be deposited or withdrawn (source), or invested (destination/target), or the valid combinations (for example, if destination is specified in dollars then the source must be specified in dollars).

  - ➢ **Transaction Amount Type**

    - ▪ Specification in PPfA – The PPfA has no way to specify the transaction amount type explicitly, so since MinTransactionAmt has a data type of VT_CURRENCY in the ACORD Life Standards Browser, the transaction amount type is always assumed to be dollar. MinPct or MaxPct are interpreted as limitations on the transaction amount. The ACORD Annuity Working Group has agreed in principle on the need for some way to indicate whether there is a transaction amount, and if so, what the amount type is. This should be addressed during the next maintenance cycle.

    - ▪ Prorata –On the life side of the ACORD model, prorata is interpreted across individual funds rather than across all funds, the way the annuity industry generally understands the term. The decision was made to extend the AllocTypeProduct element to indicate whether the transfer amount type implicitly applies to all funds (or a particular group of funds in the case of Prorata Variable). Until this becomes part of the ACORD model, EbixExchange will assume that if the SourceTransferAmtType is Prorata or Prorata Variable, then the source allocation (FeatureOptProduct/SourceInvestProd) is ignored. That is, it is assumed that the transaction amount is withdrawn prorata from all funds or all the variable funds, as the case may be.

> **Source Transfer Amount Type**

The following table shows how the configuration of the PPfA of SourceTransferAmtType, MaxNumSourceInvestProd, and Arrangement determine whether a dollar transaction amount is collected and how the fund amounts are collected.   Therefore, if **MaxNumSourceInvestProd** is null or blank, assume the maximum is equal to the MaxNumInvestProduct and the below matrix will apply.

EbixExchange Implementation Caveat – These are the combinations supported. **Note: The following combinations defined below for SWD are specific to ArrSubType tc=4. See the Systematic Withdrawal section for PPfA modeling and Wizard functionality for all other ArrSubType classifications.**

When **MaxNumInvestProduct** is valued on PolicyProduct, this is the maximum number of unique investments/funds on an entire order across all arrangements. This means the entire contract cannot have more unique funds than the specified value. If it is not valued, it means no limit across the product, and the individual MaxNumDestinationInvestProd / MaxNumSourceInvestProd would apply to the individual features. When it is valued, the total number of unique funds cannot exceed this max on a contract. When MaxNumInvestProd is modeled, MaxNumDestinationInvestProd and MaxNumSourceInvestProd DO NOT need to be modeled, as they become optional when MaxNumInvestProd is modeled. If MaxNumDestinationInvestProd and MaxNumSourceInvestProd are modeled they can only further restrict.

MaxNumDestinationInvestProd is now supported for Asset Allocation and Complex Asset Allocation. When an IP option has a requisite to an Asset Allocation feature option, the MaxNumDestinationInvestProd on the Asset Allocation feature option is used to restrict funds.   When an IP option has a requisite to both an SDCA and AA feature option, the MaxNumDestinationInvestProd on the SDCA feature option is used to restrict funds and the MaxNumDestinationInvestProd on the Asset Allocation feature option is ignored.

MaxNumSourceInvestProd in combination with SourceTransferAmtType and ArrType is used to determine whether a dollar transaction amount is collected and how the fund amounts are collected. For Systematic Withdrawal (SWD), Dollar Cost Averaging (DCA), Special DCA (SDCA), and Interest Sweep (IS). Therefore, if MaxNumSourceInvestProduct is null or blank, assume the maximum is equal to the MaxNumInvestProduct and the below matrix will apply.

EbixExchange Implementation Matrix				
Data From PPfA			**Data Gathered by Wizard**	
Source Transfer Amount Type	**Maximum Number of Source Funds**	**Arrangement Type**	**Transfer Amount Type / Periodic Withdrawal Amt**	**Source Fund Amount**
2 - Amount	1	SWD w/ ArrSubType 4, DCA	Dollars	Dollars (Transaction Amount must equal the Withdrawal Allocation for the specified Fund)
2 - Amount	More than 1	SWD w/ ArrSubType 4	Dollars	Dollars (sum to Transaction Amt.)
3 - Percent	More than 1	SWD w/ ArrSubType 4	Dollars	Percent (add up to 100%)
5 - Prorata or 6 - Variable Prorata	N/A	SWD w/ ArrSubType 4	Dollars	N/A
7 - No Amount Type Specified	1	SWD w/ArrSubType 4,	Dollars	N/A
7 - No Amount Type Specified	More than 1	SWD w/ ArrSubType 4,	Dollars	N/A
7 - No Amount Type Specified	1	IS, SDCA	None	Drop down of available Source funds – system only allows a single selection of source fund
7 - No Amount Type Specified	More than 1	IS	None	Drop down of available Source funds - system only allows a single selection ofsource fund

> **Destination Transfer Amount Type – When there is no Source Transfer Amount Type**

The following table shows how the PPfA's configuration of DestTransferAmtType, MaxNumDestInvestProd, and Arrangement Type determine whether a dollar transaction amount is collected and how the fund amounts are collected when there is no SourceTransferAmtType present in the PPfA (as opposed to using the "No Amount Type Specified" type code). Therefore, if MaxNumDestInvestProd is null or blank, assume the maximum is equal to the MaxNumInvestProduct and the below matrix will apply.

- Since DCA, SDCA, and Interest Sweep (a type of DCA) inherently have source funds as well as destination funds, think long and hard before modeling these arrangements without a SourceTransferAmtType.

> *Caveat* DCA, SDCA, and Interest Sweep arrangements that have DestTransferAmtType but no SourceTransferAmtType are not supported.

> *Caveat* With the migration to 2.16, DCA and Interest Sweep share the same ArrType type code (tc=2) and the ArrSubType further defines DCA (tc=1) and IS (tc=2). EbixExchange requires both features, DCA and IS to reside as feature options in a single instance of the FeatureProduct. SDCA which is another type of DCA can be modeled under this feature or it can be modeled as its own feature with an ArrType tc=2 and an ArrSubType tc=3.

- Rebalancing, Standing Allocation, Subsequent Premium Allocation, and Initial Premium Allocation all have transaction amounts that are implicit (Rebalance has account value, Variable Rebalance has variable account value, Standing Allocation has some future premium amount, Subsequent Premium Allocation has the sub-pay premium amount, and Initial Premium Allocation has the initial premium amount), so no Transaction Amount is collected.

EbixExchange Implementation Matrix				
Data From PPfA			**Data Gathered by Wizard**	
Destination Transfer Amount Type	**Maximum Number of Destination Funds**	**Arrangement Type**	**Transaction Amount Type**	**Fund Amount**
Amount	1	AP	Dollars	Radio buttons
Amount	More than 1	AP	Dollars	Dollars (sum to Transaction Amount)

Percent	More than 1	AP	Dollars	Percent (add up to 100%)
Percent	More than 1	AR, SAL, IP, SUB	None	Percent (add up to 100%)
No Amount Type Specified	1	AA	None	Radio buttons

> **Destination Transfer Amount Type – When there is a Source Transfer Amount Type**

The following table shows how the configuration of the PPfA of DestTransferAmtType, MaxNumDestInvestProd, and Arrangement Type determine whether a dollar transaction amount is collected and how the fund amounts are collected when there is a SourceTransferAmtType.   Therefore, if MaxNumDestInvestProd is null or blank, assume the maximum is equal to the MaxNumInvestProduct and the below matrix will apply.

▪ Since DCA, SDCA, and Interest Sweep (a type of DCA) inherently have source funds as well as destination funds, think long and hard before modeling these arrangements without a SourceTransferAmtType.

 DCA, SDCA, and Interest Sweep arrangements that have DestTransferAmtType but no SourceTransferAmtType are not supported..

▪ Rebalance, Standing Allocation, and Initial Premium Allocation all have no explicit SourceTransferAmtType.

EbixExchange Implementation Matrix				
Data From PPfA			**Data Gathered by Wizard**	
Destination Transfer Amount Type	**Maximum Number of Destination Funds**	**Arrangement Type**	**Transaction Amount Type**	**Fund Amount**
Amount	1 or more	DCA, IS	Determined by Source Transfer Amount Type	Dollars (sum to Transaction Amount)
Percent	More than 1	DCA, SDCA, IS	Determined by Source Transfer Amount Type	Dollars (sum to Transaction Amount)

> ➢ **Systematic Withdrawal** – the regular scheduled amount to be withdrawn.

>> ▪ Prior to the March 2009 release, all current logic was driven upon SourceTransferAmtType and MaxNumSourceInvestProduct; ArrSubTypes were supported but logic was not driven based on the type codes. All existing logic will be supported under ArrSubType type code 4.
>> ▪ The following two tables define the modeling requirements for each subtype classification and the platform behavior platform.

EbixExchange Implementation Matrix for Systematic Withdrawal					
Data From PPfA					**Data Gathered by Wizard**
ArrSubType	**MinTransactionAmt**	**MaxTransactionAmt**	**MinPct**	**MaxPct**	**Transaction Periodic Withdrawal Type**
4 – Specified Amt	**Optional**	**Optional**			**Dollar Amount**
5 – Pct of Contract			**Required**	**Required**	**Percent Amount**
6 – Pct of Contract Premium			**Required**	**Required**	**Percent Amount**
7 – Pct of Funds			**Required**	**Required**	**Percent Amount**
8 – Rider Free Amt			**Conditional**	**Conditional**	**If Min/MaxPct present, Percent Amount**
9 – Surrender Free Amt			**Conditional**	**Conditional**	**If Min/MaxPct present, Percent Amount**
10 – Interest Only / Gain Only					**None**

11 – Required Min Distribution					None
12 – Substancially Equal Payments (72t)	Conditional	Conditional			If Min/MaxTransactionAmt is present, Dollar Amount
12 – Substancially Equal Payments (72t)			Conditional	Conditional	If Min/MaxPct is present, and values differ, option to select Percent Amount or Maximum Allowable Amoritization Rate radio button
12 – Substancially Equal Payments (72t)					None

Grey indicates the property is not supported for that ArrSubType classification.

EbixExchange Implementation Matrix for Systematic Withdrawal			
Data From PPfA			**Data Gathered by Wizard**
ArrSubType	**Source Transfer Amount Type**	**Maximum Number of Source Funds**	**Withdrawal Allocation Fund Amounts**
4	**See Source Transfer Amount Type matrix for all supported combinations for this ArrSubType.**		
4, 5, 6, 7, 8, 9,	3 - Percent	1	Percent (equal up to 100%)

11			
4, 5, 6, 7, 8, 9, 11	3 - Percent	More than 1	**Percent (add up to 100%)**
4, 5, 6, 7, 8, 9, 10, 11, 12	5 – Prorata or 6 – Variable Prorata	N/A	N/A
4, 8, 9, 10, 11, 12	7 – No Amount Type Specified (Used when Min/MaxPct is not valued	None, 1 or more than 1	N/A
4, 11	2 – Amount	1	**Dollars (Equal to Transaction Amount**
4, 11	2 – Amount	More than 1	**Dollars (Sum to Transaction Amount)**

- This defines the logic for ArrSubType tc=4 that was in place prior to the support of the various ArrSubType classifications. If SourceTransferAmtType = "No Amount Type Specified," then there is no transaction amount collected (i.e., the periodic amount to be withdrawn). The funds from which the money is withdrawn may be selected, but the carrier calculates the withdrawal amount. Use this configuration for an interest only or maximum free systematic withdrawal program.

- **Example** – A Systematic Withdrawal Arrangement with three allowed allocation types, percentage, dollar and prorata.

```
<FeatureProduct>
   <FeatureCode>SW</FeatureCode>
   <ArrType tc = "38">Systematic Withdrawal</ArrType>
   <FeatureOptProduct>
      <ProductCode>SW</ProductCode>
      <MinTransactionAmt>0</MinTransactionAmt>
      <MaxNumSourceInvestProd> 999 </ MaxNumSourceInvestProd>
      <AllocTypeProduct>
         <SourceTransferAmtType tc="3">Percent</SourceTransferAmtType>
      </AllocTypeProduct>
      <AllocTypeProduct>
         <SourceTransferAmtType tc="2">Amounts</SourceTransferAmtType>
      </AllocTypeProduct>
      <AllocTypeProduct>
         <SourceTransferAmtType tc="4">Prorata</SourceTransferAmtType>
      </AllocTypeProduct>
      <SourceInvestProduct>  ← 1 Year Fixed fund →
         <CarrierCode>3001</CarrierCode>
         <ProductCode>abc03</ProductCode>
```

```
        </SourceInvestProduct>
       <SourceInvestProduct> ← A Money Market fund →
          <CarrierCode>3001</CarrierCode>
          <ProductCode>abc05</ProductCode>
       </SourceInvestProduct>
       <SourceInvestProduct> ← A variable fund →
          <CarrierCode>3001</CarrierCode>
          <ProductCode>abc06</ProductCode>
       </SourceInvestProduct>
       <SourceInvestProduct> ← A variable fund →
          <CarrierCode>3001</CarrierCode>
          <ProductCode>abc07</ProductCode>
       </SourceInvestProduct>
       <SourceInvestProduct> ←  A variable fund →
          <CarrierCode>3001</CarrierCode>
          <ProductCode>abc08</ProductCode>
       </SourceInvestProduct>
       <SourceInvestProduct> ← A variable fund →
          <CarrierCode>3001</CarrierCode>
          <ProductCode>abc09</ProductCode>
       </SourceInvestProduct>
   </FeatureOptProduct>
```

- As you can see from the tables in the above section, if SourceTransferAmtType = Prorata, then the transaction amount gathered is the dollar or percentage amount of the withdrawal and pulled from the contract by the current fund percentages.

- 2.9.00.AN: If SourceTransferAmtType = "No Amount Type Specified," then there is no explicit transaction amount (the amount is calculated by the carrier), although source funds may be selected (the number is controlled by MaxNumSourceInvestProd). This SourceTransferAmtType of "No Amount Type Specified" is used for interest only withdrawals.

➢ **Automatic Payments** – the regular amount contributed – the dollar Transaction Amount is always collected. All current logic is driven upon DestTransferAmtType and MaxNumDestinationInvestProd; therefore, ArrSubTypes will be supported but logic will not be driven based on the type codes.

➢ **Transfer Arrangement (such as DCA, SDCA, or Interest Sweep)**

  - **Source Transfer Amount Type** – The Source Transfer Amount Type has some implications about how and if the Transaction Amount is collected.

❖ Until EbixExchange supports AllocTypeProduct.AmountProduct to handle percent of a particular fund or percent of account value, the Source Transfer Amount Type can never be percent.

❖ Special DCA programs, asset rebalancing and certain systematic withdrawal programs typically have the transaction amount computed by the carrier. If there is only one simultaneous source fund permitted and the carrier computes the transfer amount, then MaxNumSourceInvestProd = 1, and the SourceTransferAmtType is "No Transfer Amount Type." There is no Transaction Amount collected in this case.

❖ If there is only one simultaneous source fund permitted and the client chooses the transfer amount, then MaxNumSourceInvestProd = 1, and the SourceTransferAmtType is "Dollar." The Transaction Amount is collected but the Source Amount is not since they are the same. Traditional DCA programs typically have the transaction amount chosen by the client.

➢ **Rebalancing Arrangement** – there is no explicit source allocation (implicitly all the funds are source funds) and no transaction amount is gathered. All current logic is driven upon DestTransferAmtType, MaxNumDestinationInvestProduct and MinNumDestinationInvestments; therefore, ArrSubTypes will be supported but logic will not be driven based on the type codes.

▪ **Destination Transfer Amount Type**

❖ If the Source Transfer Amount Type is not "Amount," then the Destination Transfer Amount Type cannot be "Amount."

Caveat The Initial Premium and Subsequent Premium Destination Transfer Amount Type must be percent or must have MaxNumDestInvestProd = 1 and DestTransferAmtType = "No Amount Type Specified

➢ **Asset Allocation** – the client selects a model to invest in

• When the IP MaxNumDestinationInvestProd for static Asset Allocation models is null or 1, we will present radio buttons and only allow a single selection. When greater than 1, the static models will display a percentage field.

● **Allocation** – see PPfA Implementation Guide

➢ The PPfA supports:

▪ Amount and percentage amount types, one each for the source and destination funds

▪ Multiple source/destination amount types for a single Feature Option. For instance, both Dollar/Percent and Dollar/Dollar may be permitted for a DCA program.

▪ A list of destination funds

- The use of ExclusionInvestProduct to exclude funds from a product if a certain feature option is selected. Please use this with caution, EbixExchange has found that this is often misused or misunderstood. This is only supported for New Business.

- MaxNumInvestProduct, MaxNumSourceInvestProd and MaxNumDestInvestProd as per the *IRI Specifications Guide*.

  > When there is no maximum limit on the number of funds to be selected, and there is no PolicyProduct.MaxNumInvestProduct EbixExchange requires that MaxNum… be included (use a limit that will never be exceeded, such as 1000).

- If the fund is to be selected, but the carrier will compute the amount, then the "No Amount Type Specified" Transfer Amount Type should be used.

- **Example** – A DCA program has two options – "transfer dollar amount" and "transfer interest (or gain)." It permits transfers from either the money market or the one-year fixed fund, but not both. For the first option, the transfer out is in dollars and the transfer in is in percentages. For the second option, the transfer out is "select one fund" and the transfer in is in percentages. There are at most four destination funds.

```
<FeatureProduct>
   <FeatureCode>SW</FeatureCode>
   <ArrType tc = "2"> Dollar Cost Averaging</ArrType>
      <FeatureOptProduct>
         <ProductCode>O01</ProductCode>
         <Name>Transfer dollar amount</Name>
         <MinTransactionAmt>0</MinTransactionAmt>
         <MaxNumSourceInvestProd>1</MaxNumSourceInvestProd>
         <AllocTypeProduct>
            <SourceTransferAmtType tc="2"> Amount </SourceTransferAmtType>
            <DestTransferAmtType tc="3">Percent</DestTransferAmtType>
         </AllocTypeProduct>
         <SourceInvestProduct>  ← 1 Year Fixed fund →
            <CarrierCode>3001</CarrierCode>
            <ProductCode>abc03</ProductCode>
         </SourceInvestProduct>
         <SourceInvestProduct>  ← Money Market fund →
            <CarrierCode>3005</CarrierCode>
            <ProductCode>abc01</ProductCode>
         </SourceInvestProduct>
         <DestInvestProduct> ← A Money Market fund →
            <CarrierCode>3001</CarrierCode>
            <ProductCode>abc05</ProductCode>
         </DestInvestProduct>
         <DestInvestProduct> ← A variable fund →
            <CarrierCode>3001</CarrierCode>
            <ProductCode>abc06</ProductCode>
         </DestInvestProduct>
         <DestInvestProduct> ← A variable fund →
            <CarrierCode>3001</CarrierCode>
            <ProductCode>abc07</ProductCode>
         </DestInvestProduct>
         <DestInvestProduct> ←  A variable fund →
            <CarrierCode>3001</CarrierCode>
            <ProductCode>abc08</ProductCode>
         </DestInvestProduct>
         <DestInvestProduct> ← A variable fund →
            <CarrierCode>3001</CarrierCode>
            <ProductCode>abc09</ProductCode>
         </DestInvestProduct>
         <ArrSubType tc="1">Standard DCA</ArrSubType>
```

```
        </FeatureOptProduct>
        <FeatureOptProduct>
            <ProductCode>O02</ProductCode>
            <Name>Transfer interest</Name>
            <MaxNumSourceInvestProd>1</MaxNumSourceInvestProd>
            <AllocTypeProduct>
                <SourceTransferAmtType tc="7"> No Amount Type Specified
                </SourceTransferAmtType>
                <DestTransferAmtType tc="3">Percent</DestTransferAmtType>
            </AllocTypeProduct>
            <SourceInvestProduct>  ← 1 Year Fixed fund →
                <CarrierCode>3001</CarrierCode>
                <ProductCode>abc03</ProductCode>
            </SourceInvestProduct>
            <SourceInvestProduct>  ← Money Market fund →
                <CarrierCode>3005</CarrierCode>
                <ProductCode>abc01</ProductCode>
            </SourceInvestProduct>
            <DestInvestProduct> ← A Money Market fund →
                <CarrierCode>3001</CarrierCode>
                <ProductCode>abc05</ProductCode>
            </DestInvestProduct>
            <DestInvestProduct> ← A variable fund →
                <CarrierCode>3001</CarrierCode>
                <ProductCode>abc06</ProductCode>
            </DestInvestProduct>
            <DestInvestProduct> ← A variable fund →
                <CarrierCode>3001</CarrierCode>
                <ProductCode>abc07</ProductCode>
            </DestInvestProduct>
            <DestInvestProduct> ← A variable fund →
                <CarrierCode>3001</CarrierCode>
                <ProductCode>abc08</ProductCode>
            </DestInvestProduct>
            <DestInvestProduct> ← A variable fund →
                <CarrierCode>3001</CarrierCode>
                <ProductCode>abc09</ProductCode>
            </DestInvestProduct>
            <ArrSubType tc="2">Interest Sweep</ArrSubType>
        </FeatureOptProduct>
    </FeatureProduct>
```

● **Payment Information** – transmitted via the PaymentModeMethProduct object, PaymentFormCC is used to transmit the form of payment. (ACH, Cash, Certified Check, Wire,).

● **Withholding Information** – the PPfA is silent on when withholding information should be collected and on what information should be collected. This is addressed via Fields a la Carte.

D.5 Initial Premium Allocation

This arrangement is required for any Application Wizard. It is not required if the product is only available for sub-pays.

Caveat   The Initial Premium Allocation feature is always required for Application Wizards – even for fixed products where there is no choice of funds.

Programs Impacting Initial Allocation

Certain features impact the initial allocation of premium. The only way to consistently model such features is to involve the Initial Premium Allocation as well as the program itself.

Programs

● Asset Allocation – Depending on the exact details, this program replaces the selection of a destination allocation for the Initial Premium Allocation with either a selection of models represented by options of the Asset Allocation Arrangement or the selection of models represented by special "funds" replacing the usual funds.

● Special Dollar Cost Averaging – The special source funds are only available to the Initial Premium Allocation if the SDCA is selected.

While some configurations of Asset Allocation and Special Dollar Cost Averaging programs could be modeled in a way that avoids using options of the Initial Premium Allocation by using the ExclusionInvestProduct element heavily, there are variants that could not. Always using the above structure permits simpler programming, a smaller modeling rule set, and more consistent PPfA interpretation.

Caveat   The Asset Allocation and SDCA features will only appear and be eligible for referencing via FeatureOptRequisite when included in the FeatureTransactionProduct. Therefore, Asset Allocation and SDCA features must be listed in FeatureTransactionProduct.FeatureProductInfo for them to be listed and linked to the Initial Allocation (and for Subpay transactions to the Subsequent Premium Allocation feature) via FeatureOptRequisite.

Note   With the migration to 2.16, the same SDCA or AA feature can be shared across both applications and subsequent premiums. You no longer have to clone the SDCA and AA features to make them available to both applications and subsequent premiums.

Prior to 2.16, the Initial Premium Allocation feature only permitted one option available that did not have another arrangement as a requisite (there could be several such options as long as no two were allowed in the same qualified plan and state). 2.16 allows for multiple options modeled without a requisite to another arrangement.

As of December 2009, Ebix no longer prohibits two options of the Initial Premium Allocation feature having as requisite to the same arrangement and option.

- **Special Dollar Cost Averaging** – A particular kind of dollar cost averaging

  ➢ **Definition** - A Special DCA program is a DCA program where the source fund is only available for use in the DCA program. That is, money can only be deposited into this fund if it is going to be part of the DCA program. Our use of the word "special" may differ from that used for certain products where the structure is as described above, but the DCA source fund is not "special" in the sense of it having an "elevated interest rate." We use "special" with its structural meaning and expect DCA programs to be modeled accordingly.

  ➢ Modeling Special Dollar Cost Averaging in PPfA

    ▪ The SDCA source funds are only available for the initial allocation if the SDCA program is selected. (Note that source funds for SDCA must be destination funds for initial premium.) Therefore, two features are involved in modeling a SDCA program: the Initial Premium Allocation feature and the DCA feature.

  ➢ Modeling a mix of SDCA and Complex Asset Allocation in PPfA:

A percentage of the Initial Premium is allocated to a SDCA program and the other portion is assigned to a Complex Asset Allocation program. Note the IP feature contains a DestInvestProduct for the SDCA Fixed (Source) fund and the CAA Model's ProductCode. A MaxNumDestInvestProd > 1 allows for a percentage to be allocated into the Fixed fund and the remaining initial premium allocated into the CAA. The IP RequisiteInvestProduct may contain a requisite to both the SDCA and CAA program. Please see additional modeling details in the Asset Allocation section.

    ▪ **Example** – a Special DCA program, with a 6-month and a 12-month special source fund. The initial premium may be split between the SDCA source fund and the other funds.

```
<FeatureProduct>
    <ArrType tc = "19">Initial Premium Allocation</ArrType>
    <FeatureCode>IP<FeatureCode>
    <FeatureOptProduct>
      <ProductCode>SDCA</ProductCode>
     <Name>Special Dollar Cost Averaging</Name>
     <MaxNumDestinationInvestProd> 99 </MaxNumDestinationInvestProd>
      <FeatureOptRequisite>
        <FeatureCode>SDCA</FeatureCode>
      </FeatureOptRequisite>
     <AllocTypeProduct>
```

```
                <DestTransferAmtType tc="3">Percent</DestTransferAmtType>
            </AllocTypeProduct>
            <DestInvestProduct>  ←  The 6 month SDCA fund →
               <CarrierCode>3001</CarrierCode>
               <ProductCode>abc01</ProductCode>
            </DestInvestProduct>
            <DestInvestProduct>  ←  The 12 month SDCA fund →
               <CarrierCode>3001</CarrierCode>
               <ProductCode>abc02</ProductCode>
            </DestInvestProduct>
            <DestInvestProduct>  ←  A variable fund →
               <CarrierCode>3001</CarrierCode>
               <ProductCode>abc05</ProductCode>
            </DestInvestProduct>
            <DestInvestProduct>  ←  A variable fund →
               <CarrierCode>3001</CarrierCode>
               <ProductCode>abc06</ProductCode>
            </DestInvestProduct>
         </FeatureOptProduct>
         <FeatureOptProduct>
            <ProductCode>STD</ProductCode>
          <Name>Self-Directed Allocation</Name>
          <AllocTypeProduct>
             <DestTransferAmtType tc="3">Percent</DestTransferAmtType>
          </AllocTypeProduct>
          <DestInvestProduct>  ←  A variable fund →
             <CarrierCode>3001</CarrierCode>
             <ProductCode>abc05</ProductCode>
          </DestInvestProduct>
          <DestInvestProduct>  ←  A variable fund →
             <CarrierCode>3001</CarrierCode>
             <ProductCode>abc06</ProductCode>
          </DestInvestProduct>
         </FeatureOptProduct>
      <ArrSubType tc="23">Initial Premium Allocation</ArrSubType>
       <FeatureProduct>
   <FeatureProduct>
      <ArrType tc = "2"> Dollar Cost Averaging</ArrType>
       <FeatureCode>SDCA</FeatureCode>
       <Name>Special Dollar Cost Averaging</Name>
      <MaxNumDestinationInvestProd> 999 </MaxNumDestinationInvestProd>
       <FeatureOptProduct>
```

```
        <ProductCode>SDCA</ProductCode>
        <Name>Special Dollar Cost Averaging</Name>
       <MaxNumSourceInvestProd>1</MaxNumSourceInvestProd>
        <MaxNumDestinationInvestProd> 999
        </MaxNumDestinationInvestProd>
       <AllocTypeProduct>
           <SourceTransferAmtType tc="7"> No Amount Type Specified
           </SourceTransferAmtType>
           <DestTransferAmtType tc="3">Percent</DestTransferAmtType>
       </AllocTypeProduct>
       <SourceInvestProduct>  ←   The 6 month SDCA fund →
           <CarrierCode>3001</CarrierCode>
           <ProductCode>abc01</ProductCode>
       </SourceInvestProduct>
       <SourceInvestProduct>  ←   The 12 month SDCA fund →
           <CarrierCode>3001</CarrierCode>
           <ProductCode>abc02</ProductCode>
       </SourceInvestProduct>
        <DestInvestProduct> ←  A variable fund →
           <CarrierCode>3001</CarrierCode>
           <ProductCode>abc05</ProductCode>
       </DestInvestProduct>
       <DestInvestProduct> ←  A variable fund →
           <CarrierCode>3001</CarrierCode>
           <ProductCode>abc06</ProductCode>
        </DestInvestProduct>
        <ArrSubType tc="3">Special Dollar Cost Averaging</ArrSubType>
     </FeatureOptProduct>
   </FeatureProduct>
```


In the options of the SDCA feature, do not include a feature option requisite that points to the SDCA option of the Initial Premium feature. This will cause problems if you wish to use the same SDCA feature for the Subsequent Premium transactions. There will be requisites pointing to both the Initial Premium SDCA Option and the Subsequent Premium SDCA Option. The meaning would be ambiguous.

- **Asset Allocation** – There are numerous variants of this program, and while some could, in principal, be modeled without having to use both the Initial Premium Allocation and the Asset Allocation features, in the interests of consistent modeling and programming, we suggest that the modeling always use both features as is illustrated below:

  ➢ **Definition** – An asset allocation program offers the customer a choice of allocation models rather than funds. Normally, the entire initial allocation is to be placed in one model.

The Baseline Wizard supports three situations:

- where the models are just modeled as funds without an explicit Asset Allocation Program, thus not requiring a requisite to a Static Asset Allocation feature option. This impacts the AppSub and is handled like a Self Directed allocation.

- where 100% of the initial premium must be invested in one (or more) static models if the Asset Allocation Program is elected.

- Where a model composed of categories and funds, known as a Complex Asset Allocation model.

➢ **Modeling Static Asset Allocation in PPfA:**

▪ Because the Asset Allocation feature eliminates the normal fund selection process for the initial allocation, two features are involved in modeling asset allocation, the Initial Premium Allocation feature and the Asset Allocation feature. The choice of whether to model the asset allocation models as feature options or "funds" will impact the output (DTCC APP, NBfA, etc.). The Baseline Wizard supports asset allocation modeled as funds. Any other modeling of asset allocation is custom work.

▪ **Example of Static Asset Allocation** – The models are modeled as funds. The platform no longer requires 100% of the initial allocation to be allocated into a single model. Additionally, Min/MaxPct and Min/MaxAmt are supported on the DestInvestProduct of the IP feature option.

▪ MaxNumDestinationInvestProd for static Asset Allocation models is null or 1, we will present radio buttons and only allow a single selection. When greater than 1, the static models will display a percentage field

```
<FeatureProduct>
    <ArrType tc = "19">Initial Premium Allocation</ArrType>
    <FeatureCode>IP<FeatureCode>
    <FeatureOptProduct>
      <ProductCode>AA</ProductCode>
    <Name>Asset Allocation</Name>
    <MaxNumDestinationInvestProd>3</MaxNumDestinationInvestProd>
    <MinNumDestinationInvestProd>1</MinNumDestinationInvestProd>
      <FeatureOptRequisite>
        <FeatureCode>AA</FeatureCode>
      </FeatureOptRequisite>
    <DestInvestProduct>  ← Aggressive Model→
      <CarrierCode>3001</CarrierCode>
      <ProductCode>mdl01</ProductCode>
    </DestInvestProduct>
    <DestInvestProduct>  ← Moderate Model→
      <CarrierCode>3001</CarrierCode>
      <ProductCode>mdl02</ProductCode>
```

```
            </DestInvestProduct>
         <DestInvestProduct>  ← Conservative Model →
            <CarrierCode>3001</CarrierCode>
            <ProductCode>mdl03</ProductCode>
         </DestInvestProduct>
         <ArrSubType tc="23">Initial Premium Allocation</ArrSubType>
    </FeatureOptProduct>
    <FeatureProduct>
       <ArrType tc = "21">Asset Allocation</ArrType>
       <FeatureCode>AA</FeatureCode>
       <Name>Asset Allocation>
       <FeatureOptProduct>
          <ProductCode>STD</ProductCode>
          <MaxNumDestinationInvestProd>0</MaxNumDestinationInvestProd >
          <MinNumDestinationInvestProd>0</MinNumDestinationInvestProd>
          <AllocTypeProduct>
             <DestTransferAmtType tc="3"> Percent </DestTransferAmtType>
          </AllocTypeProduct>
          <ArrSubType tc="19">Static Models</ArrSubType>
       </FeatureOptProduct>
    </FeatureProduct>
```

Note

With the migration to 2.16, the modeling difference is the location of DestInvestProduct. They now reside in the Initial Premium's Asset Allocation FeatureOptProduct rather than the Asset Allocation's FeatureOptProduct.

Caveat

In the options of the Asset Allocation feature, do not include a feature option requisite that points to the Asset Allocation option of the Initial Premium feature. This will cause problems if you wish to use the same Asset Allocation feature for the Subsequent Premium transactions. There will be requisites pointing to both the Initial Premium Asset Allocation Option and the Subsequent Premium Asset Allocation Option. The meaning would be ambiguous.

- **Multi-Stage or Complex Asset Allocation** – Multi-stage or Complex Asset Allocation Programs involve models that are composed of categories which in turn are composed of funds. The Static Asset Allocation is where the client only selects the model and the decomposition into categories and funds is predetermined by the model, the Multi-Stage or Complex Asset Allocation is where the client selects the model, the decomposition into categories is predetermined by the model, and the client selects the allocation of funds within each category.

  ➢ **Modeling Multi-Stage Asset Allocation in PPfA:**

- The interaction with the Initial Premium is similar to the Static Asset Allocation. The difference in the modeling is found:
  - ◆ The DestInvestProduct in the Initial Premium's Complex Asset Allocation option contains the model.
  - ◆ The DestInvestProduct in the Asset Allocation's Complex Asset Allocation option contains the funds.
  - ◆ The InvestProductInfo. MinDepositPct and MaxDepositPct are used to specify the range of percentages permitted. When MinDepositPct = MaxDepositPct, then the precise percentage is specified by the carrier and that percentage will be displayed by Wizard, and the client will not be able to elect a percentage.
  - ◆ The model (InvestProductTypeCode = 23), the categories (InvestProductTypeCode = 24), and funds (InvestProductTypeCode = 15) are defined in InvestProduct and linked by InvestProduct.InvestProduct.Info

- **Example of the Complex Asset Allocation FeatureProduct and FeatureOptProduct modeling** – The Complex Asset Allocation of the Initial Premium FeatureProduct contains the Model in the DestInvestProduct. The Asset Allocation's Complex Asset Allocation option contains the funds.

```
<FeatureProduct>
      <ArrType tc="19">Initial Premium (Override Standing Allocation)</ArrType>
          <FeatureOptProduct>
                  <!--Complex Asset Allocation-->
                  <ProductCode>CAA</ProductCode>
                  <MaxNumDestinationInvestProd>1</MaxNumDestinationInvestProd>
                  <FeatureOptRequisite>
                          <FeatureCode>AA</FeatureCode>
                          <ProductCode>CAA</ProductCode>
                  </FeatureOptRequisite>
                  <DestInvestProduct>
                          <CarrierCode>65935</CarrierCode>
                          <ProductCode>MOD1</ProductCode>
                  </DestInvestProduct>
          </FeatureOptProduct>
</FeatureProduct>
<FeatureProduct>
          <ArrType tc="21">Asset Allocation</ArrType>
          <FeatureOptProduct>
                  <ProductCode>CAA</ProductCode>
          <DestInvestProduct>  ← Fund →
                  <CarrierCode>BLUE_SKY</CarrierCode>
                  <ProductCode>027</ProductCode>
          </DestInvestProduct>
          <DestInvestProduct>  ← Fund →
                  <CarrierCode>BLUE_SKY</CarrierCode>
                  <ProductCode>024</ProductCode>
```

```
                    </DestInvestProduct>
                    <DestInvestProduct>  ←  Fund  →
                            <CarrierCode>BLUE_SKY</CarrierCode>
                            <ProductCode>105</ProductCode>
                    </DestInvestProduct>
                    <DestInvestProduct>  ←  Fund  →
                            <CarrierCode>BLUE_SKY</CarrierCode>
                            <ProductCode>033</ProductCode>
                    </DestInvestProduct>
                    <DestInvestProduct>  ←  Fund  →
                            <CarrierCode>BLUE_SKY</CarrierCode>
                            <ProductCode>114</ProductCode>
                    </DestInvestProduct>
                    <DestInvestProduct>  ←  Fund  →
                            <CarrierCode>BLUE_SKY</CarrierCode>
                            <ProductCode>030</ProductCode>
                    </DestInvestProduct>
                    <DestInvestProduct>  ←  Fund  →
                            <CarrierCode>BLUE_SKY</CarrierCode>
                            <ProductCode>126</ProductCode>
                    </DestInvestProduct>
            </FeatureOptProduct>
            </FeatureProduct>
```

Example Where Fund Allocations are Predetermined by the Model – The model has three categories each containing funds with percentages assigned.

```
<InvestProduct id="InvestProduct_33" PartyID="Party_1">
        <InvestProductTypeCode tc="23">Model</InvestProductTypeCode>
        <ProductCode>AG</ProductCode>
        <FullName>Aggressive Growth</FullName>
        <ShortName>Aggressive Growth</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <CarrierName>Blue Sky</CarrierName>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>A</ProductCode>
                <MinDepositPct>40</MinDepositPct>
                <MaxDepositPct>40</MaxDepositPct>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>B</ProductCode>
                <MinDepositPct>25</MinDepositPct>
                <MaxDepositPct>25</MaxDepositPct>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>C</ProductCode>
                <MinDepositPct>35</MinDepositPct>
                <MaxDepositPct>35</MaxDepositPct>
        </InvestProductInfo>
</InvestProduct>
<InvestProduct id="InvestProduct_35" PartyID="Party_1">
        <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
        <ProductCode>A</ProductCode>
        <FullName>Category A</FullName>
        <ShortName>Category A</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <CarrierName>Blue Sky</CarrierName>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>027</ProductCode>
                <MinDepositPct>40</MinDepositPct>
                <MaxDepositPct>40</MaxDepositPct>
        </InvestProductInfo>
```

```
<InvestProductInfo>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>024</ProductCode>
        <MinDepositPct>60</MinDepositPct>
        <MaxDepositPct>60</MaxDepositPct>
</InvestProductInfo>
</InvestProduct>
<InvestProduct id="InvestProduct_36" PartyID="Party_1">
        <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
        <ProductCode>B</ProductCode>
        <FullName>Category B</FullName>
        <ShortName>Category B</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <CarrierName>Blue Sky</CarrierName>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>105</ProductCode>
                <MinDepositPct>25</MinDepositPct>
                <MaxDepositPct>25</MaxDepositPct>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>033</ProductCode>
                <MinDepositPct>25</MinDepositPct>
                <MaxDepositPct>25</MaxDepositPct>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>114</ProductCode>
                <MinDepositPct>50</MinDepositPct>
                <MaxDepositPct>50</MaxDepositPct>
        </InvestProductInfo>
</InvestProduct>
<InvestProduct id="InvestProduct_37" PartyID="Party_1">
        <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
        <ProductCode>C</ProductCode>
        <FullName>Category C</FullName>
        <ShortName>Category C</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <CarrierName>Blue Sky</CarrierName>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
```

```
                <ProductCode>030</ProductCode>
                <MinDepositPct>30</MinDepositPct>
                <MaxDepositPct>30</MaxDepositPct>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>126</ProductCode>
                <MinDepositPct>70</MinDepositPct>
                <MaxDepositPct>70</MaxDepositPct>
        </InvestProductInfo>
</InvestProduct>
```

▪ **Example Where Fund Allocations is not Predetermined by the Model** – The model has three categories each containing funds with no percentages assigned. The client will select the fund percentages in the wizard.

```
<InvestProduct id="InvestProduct_33" PartyID="Party_1">
        <InvestProductTypeCode tc="23">Model</InvestProductTypeCode>
        <ProductCode>AG</ProductCode>
        <FullName>Aggressive Growth</FullName>
        <ShortName>Aggressive Growth</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <CarrierName>Blue Sky</CarrierName>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>A</ProductCode>
                <MinDepositPct>40</MinDepositPct>
                <MaxDepositPct>40</MaxDepositPct>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>B</ProductCode>
                <MinDepositPct>25</MinDepositPct>
                <MaxDepositPct>25</MaxDepositPct>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>C</ProductCode>
                <MinDepositPct>35</MinDepositPct>
                <MaxDepositPct>35</MaxDepositPct>
        </InvestProductInfo>
</InvestProduct>
<InvestProduct id="InvestProduct_35" PartyID="Party_1">
```

```
<InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
<ProductCode>A</ProductCode>
<FullName>Category A</FullName>
<ShortName>Category A</ShortName>
<CarrierCode>BLUE_SKY</CarrierCode>
<CarrierName>Blue Sky</CarrierName>
<InvestProductInfo>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>027</ProductCode>
</InvestProductInfo>
<InvestProductInfo>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>024</ProductCode>
</InvestProductInfo>
</InvestProduct>
<InvestProduct id="InvestProduct_36" PartyID="Party_1">
        <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
        <ProductCode>B</ProductCode>
        <FullName>Category B</FullName>
        <ShortName>Category B</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <CarrierName>Blue Sky</CarrierName>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>105</ProductCode>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>033</ProductCode>
        </InvestProductInfo>
        <InvestProductInfo>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>114</ProductCode>
        </InvestProductInfo>
</InvestProduct>
<InvestProduct id="InvestProduct_37" PartyID="Party_1">
        <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
        <ProductCode>C</ProductCode>
        <FullName>Category C</FullName>
        <ShortName>Category C</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <CarrierName>Blue Sky</CarrierName>
```

```
<InvestProductInfo>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>030</ProductCode>
</InvestProductInfo>
<InvestProductInfo>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>126</ProductCode>
</InvestProductInfo>
</InvestProduct>
```

> **Modeling a mix of Self Directed funds and Complex Asset Allocation in PPfA:**

A percentage of the Initial Premium may be allocated into Self Directed funds and the other portion is assigned to a Complex Asset Allocation program

- ▪ The interaction with the Initial Premium is a combination of Self-directed Funds and a Complex Asset Allocation model. The difference in the modeling is found:
    - ♦ The DestInvestProduct in the Initial Premium's option contains the Complex Asset Allocation Model and the Self Directed Funds.
    - ♦ The Initial Premium option contains a requisite to the Complex Asset Allocation option.
    - ♦ The DestInvestProduct in the Asset Allocation's Complex Asset Allocation option contains the funds that make up the model.
    - ♦ The InvestProductInfo. MinDepositPct and MaxDepositPct are used to specify the range of percentages permitted. When MinDepositPct = MaxDepositPct, then the precise percentage is specified by the carrier and that percentage will be displayed by Wizard, and the client will not be able to elect a percentage.
    - ♦ The DestInvestProduct.Min/MaxPct and Min/MaxAmt for the Self Directed funds restricts allocations into the funds.
    - ♦ The model (InvestProductTypeCode = 23), the categories (InvestProductTypeCode = 24), and funds (InvestProductTypeCode = 15) are defined in InvestProduct and linked by InvestProduct.InvestProduct.Info

> **Modeling a mix of SDCA and Complex Asset Allocation in PPfA:**

A percentage of the Initial Premium is allocated to a SDCA program and the other portion is assigned to a Complex Asset Allocation program. Note the IP feature contains a DestInvestProduct for the SDCA Fixed (Source) fund and the CAA Model's ProductCode. A MaxNumDestInvestProd > 1 allows for a percentage to be allocated into the Fixed fund and the remaining initial premium allocated into the CAA.

- ♦ The DestInvestProduct in the Initial Premium's Complex Asset Allocation option contains the model and the SDCA Source fund.
- ♦ The DestInvestProduct in the Asset Allocation's Complex Asset Allocation option contains the funds that make up the model.
- ♦ The IP FeatureOptProduct will contain a requisite to the SDCA feature option.
- ♦ The IP FeatureOptProduct may contain a requisite to the CAA feature option; however, the platform will ignore this requisite and the model included in the IP's DestInvestProduct will display the Complex Asset Allocation as the target to the SDCA program.

♦ The IP feature contains MaxNumDestInvestProd > 1 allows a percentage of the premium to be allocated into both the SDCA program and CAA program.

♦ The InvestProductInfo. MinDepositPct and MaxDepositPct are used to specify the range of percentages permitted. When MinDepositPct = MaxDepositPct, then the precise percentage is specified by the carrier and that percentage will be displayed by Wizard, and the client will not be able to elect a percentage.

♦ The model (InvestProductTypeCode = 23), the categories (InvestProductTypeCode = 24), and funds (InvestProductTypeCode = 15) are defined in InvestProduct and linked by InvestProduct.InvestProduct.Info

D.6 Date Processing

EbixExchange supports the following effective date processing by jurisdiction. The Current Date is the system date (based on Eastern time):

Effective Date Support for Funds

- **Sale Effective Date:** The Fund will not display on the platform until the Current Date is equal to or greater than the Sale Effective Date.

- **Sale Expiration Date:** If the Current Date is after the Sale Expiration Date, the Fund will not be available for new business applications (will still be available for subpays unless a No New Money Date is Present)

- **No New Money Date:** If the Current Date is after the No New Money Date it will not display for New Business Applications or Subsequent Premiums.

- **Inforce Exclusion Calendar Date for Subpays:** For Tier 2 only, this is the date after which a Fund is no longer available unless money is already invested in the Fund (referred to as a soft close). The PVF file will be used to determine if money is already invested in the Fund. For non-Tier 2 subpays, this date is ignored.

Since the implementation of InforceExclusionCalendarDate, SoftCloseDate was added in version 2.13 to restrict the availability based on the fund value being greater than zero. For the May 2008 migration to 2.16, carriers who plan to support "soft close" where a date after which a fund is no longer available unless money is already invested in the fund should model both the InforceExclusionCalendarDate and SoftCloseDate until EbixExchange converts to SoftCloseDate. Both elements reside in PolicyProduct.InvestProductInfo.

- **Inforce Exclusion Contract Date for Subpays:** For Tier 2, this is the date after which a fund is no longer available unless the contract was issued prior to the Inforce Exclusion Contract Date (referred to as a "walled off" fund)

- **Inforce Exclusion Contract Date for Subpays:** For Non-Tier 2, a Contract Issue Date will be added to the subpay wizard and will be used to compare to the Inforce Exclusion Contract Date. The Issue Date must be less than the Inforce Exclusion Contract Date on a fund in order to be available on the platform (referred to as a *walled off* fund)

Effective Date Support for Features and Feature Options

- **Sale Effective Date:** The Feature Option will not display on the platform until the current date is equal to or greater than the Sale Effective Date.

- **Sale Expiration Date:** If the current date is after the Sale Expiration Date, the Feature Option will not be available on the platform.

> **Note**
>
> Requisites are not enforced in AnnuityNet when any given requisite option contains a SaleExipirationDate with a past date. For example, an IP option having a requisite to 4 options, and 2 of the 4 has a past date for the SaleExpirationDate. As a result, none of the requisites are enforced.
>
> The PPfA modeling work around to correct this issue is to remove the requisites for which the FeatureOptProduct.SaleExpirationDate has passed. Once this is done the requisites will be enforced as expected for the FeatureOptProduct which have not expired
>
> .

Effective Date Support for Products

- **Sale Effective Date:** The Product will not display on the platform until the Current Date is equal to or greater than the Sale Effective Date.

- **Sale Expiration Date:** If the Current date is after the Sale Expiration Date, the Product will not be available on the platform for New Business Applications. It may still be available for subpays.

- **NoNewMoneyDate:** If less than Current Date, then the product will not be available for either application or subpay.

  ➢ For Tier 2 clients, when a subpay is initiated, the system does not check the No New Money Date. The system only checks the basic entries for product availability to get the carrier, distributor and product information. The product availability logic is checked in detail during the Teir 2 contract data import process.

There are a large number of locations in the PPfA where these effective dates could be placed. Because of the complexity involved with resolving apparent conflicts and determining precedence, EbixExchange support for effective dates is restricted to the following locations:

Modeling Jurisdictions for Funds

When a Jurisdiction restriction applies to a fund, and the fund is part of a Complex Asset Allocation model, the Jurisdiction restriction must be defined within the category the fund resides in. /TXLife/TXLifeRequest/OLifE/InvestProduct/InvestProductInfo/JurisdictionApproval.

<InvestProduct id="InvestProduct_35" PartyID="Party_1">

```
                <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>

                <ProductCode>A</ProductCode>

                <FullName>Category A</FullName>

                <ShortName>Category A</ShortName>

                <CarrierCode>BLUE_SKY</CarrierCode>

                <CarrierName>Blue Sky</CarrierName>

                <InvestProductInfo>

                        <CarrierCode>BLUE_SKY</CarrierCode>

                        <ProductCode>027</ProductCode>

                        <MinDepositPct>40</MinDepositPct>

                        <MaxDepositPct>40</MaxDepositPct>

                        <JurisdictionApproval/>
                        <JurisdictionCC>
                                <Jurisdiction tc="1">Alabama</Jurisdiction>
                        </JurisdictionCC>
                        </InvestProductInfo>

                </InvestProductInfo>

                <InvestProductInfo>

                        <CarrierCode>BLUE_SKY</CarrierCode>

                        <ProductCode>024</ProductCode>

                        <MinDepositPct>60</MinDepositPct>

                        <MaxDepositPct>60</MaxDepositPct>

                </InvestProductInfo>

        </InvestProduct>
```

Modeling For Effective Date Support for Funds

- **SaleEffectiveDate, SaleExpirationDate, NoNewMoneyDate:** May be placed on PolicyProduct/InvestProductInfo (preferred location for dates if the change is across all states but not across all products) or on PolicyProduct/InvestProductInfo/JurisdictionApproval (preferred location for state specific dates if the change is not across all products) or on InvestProduct (preferred location if the fund is to be removed across all products). If placed on both, then the rule is that the fund will not be available and will not be displayed f the rules from either position indicate that it should not be available or displayed.

    Update: The support of PolicyProduct/InvestProductInfo/JurisdictionApproval/SalesEffectiveDate is now available with the December 2009 release.

    InforceExclusionCalendarDate, InforceExclusionContractDate: May be placed on PolicyProduct/InvestProductInfo/ (preferred location if the change is across all states) or on PolicyProduct/InvestProductInfo /JurisdictionApproval (preferred location if the fund is treated differently in different states). If placed on both, then the rule is that the fund will not be available and will not be displayed if the rules from either position indicate that it should not be available or displayed. If this is modeled at the PolicyProduct.InvestProductInfo.JurisdictionApproval "child

level" and the PolicyProduct.InvestProductInfo "parent level" the "child" or State can be restricted earlier than the "parent" Policy.

For example, a State can be restricted with a Calendar Date of 6/1/2007 and the policy restricted on 12/1/2007. The state will be restricted prior to the policy. You can not restrict a State (child) with a date later than the Policy (parent). The State cannot have a date beyond the Policy's exclusion date.

➢ **Fund Availability by Contract State:** This can be used in conjunction with the above dates to limit fund availability by date and state. Use the InvestProductInfo.JurisdictionApproval and any of the dates mentioned above to limit Fund Availability by state on a particular date. On the Allocation pages only the funds available in the Policy Contract State will display.

Modeling For Effective Date Support for Features and Feature Options

● **SaleEffectiveDate, SaleExpirationDate:** May be placed on PolicyProduct/AnnuityProduct/FeatureProduct/JurisdictionApproval or on PolicyProduct/AnnuityProduct/FeatureProduct/FeatureOptProduct/JurisdictionApproval. The usual hierarchy applies. The Feature Option is not available if the parent Feature is not available. However, the Feature is available unless all the Feature Options are not available or the SaleEffectiveDate and SaleExpirationDate on FeatureProduct are such that the Feature is directly coded as not available.

➢ **State Availability for Investment Options**: This can be used in conjunction with the above dates to limit investment options by date and state. Using the PPfA via the FeatureOptProduct.JurisdictionApproval the platform will support Subsequent Premium Investment Options by state. On the Contract Information page, only the Subsequent Investment Options available in the Policy Contract State will display. Also, see the description on the JurisdictionCC and JurisdictionApproval elements in the PPfA Implementation Guide.

Note

If the JurisdictionApproval is on FeatureProduct, then that feature and all of its options are restricted for those states. For Example, if a FeatureProduct for Subpay, contains two options, a Self Direct and an AA.   If the JurisdictionApproval is on the FeatureProduct level the Subpay is available for those states.
If JurisdictionApproval is on FeatureOptProduct, then that feature is available, but the options are restricted.   If the JurisdictionApproval is on the Self Direct Option of the subpay feature, then Subpay is available for all states, and the Self Direct is restricted for those states in JurisdictionApproval.

If Jurisdiction is specified at a parent level (e.g. PolicyProduct) and also at a child level (e.g. FeatureProduct), the child level may only further restrict (and not expand) the states where applicable.

Modeling For Effective Date Support for Product

● **SaleEffectiveDate, SaleExpirationDate, NoNewMoneyDate:** May be placed on PolicyProduct/ /JurisdictionApproval to control product availability at the state level or on PolicyProduct to control

product availability overall. The usual hierarchy applies. The dates on PolicyProduct control overall product availability and this availability may be further restricted on individual states by the dates on PolicyProduct/JurisdictionApproval.

➢ **State Availability for Subpay Transactions:** This can be used in conjunction with the above dates to subpay availability by date and state. Using the PPfA via the PolicyProduct.JurisdictionApproval the platform will only allow Subpay transactions for those contract states listed.

Example 1: May 1, 2007 change fund lineup.

● Add Fund X to the product for both applications and for subpays, except for in the state of California, where Fund X does not become available until May 15, 2007. The California effective date impacts all products.

● Remove Fund A from new business, but Fund A remains available for subpays. Applies to this product only. Applies to all states.

● Remove Fund B from new business and from subpays where the contract issue date is less than May 1, 2007 (Fund B remains available for subpays for all contracts with issue date less than May 1, 2007). Applies all states except California – where Fund B is not available for either applications or subpays on or after May 1, 2007. Applies to all products.

● Remove Fund C from new business and also from subpays except when the contract currently has money in Fund C except for the state of California, where Fund C is removed from new business only. Applies to this single product only. Note: For Non-Tier 2 subpays, Fund C will not be removed because the AnnuityNet Platform will not know whether or not the Contract is currently invested in Fund C.

● Remove Fund D from new business and applications completely. Applies to all products and all states.

The XML snippet below codes the changes as specified above.

```
<OLifE >
        <InvestProduct id="investproduct1">
                <ProductCode>X</ProductCode>
                <ShortName>X</ShortName>
                <CarrierCode>12345</CarrierCode>
                <SaleEffectiveDate>2007-05-01</SaleEffectiveDate>
        </InvestProduct>
        <InvestProduct id="investproduct2">
                <ProductCode>A</ProductCode>
                <ShortName>A</ShortName>
                <CarrierCode>12345</CarrierCode>
                <SaleEffectiveDate>2005-05-01</SaleEffectiveDate>
        </InvestProduct>
        <InvestProduct id="investproduct3">
                <ProductCode>B</ProductCode>
                <ShortName>B</ShortName>
```

```
                <CarrierCode>12345</CarrierCode>
                <SaleEffectiveDate>2005-05-01</SaleEffectiveDate>
                <SaleExpirationDate>2007-04-30</SaleExpirationDate>
        </InvestProduct>
        <InvestProduct id="investproduct4">
                <ProductCode>C</ProductCode>
                <ShortName>C</ShortName>
                <CarrierCode>12345</CarrierCode>
                <SaleEffectiveDate>2005-05-01</SaleEffectiveDate>
        </InvestProduct>
        <InvestProduct id="investproduct5">
                <ProductCode>D</ProductCode>
                <ShortName>D</ShortName>
                <CarrierCode>12345</CarrierCode>
                <SaleEffectiveDate>2005-05-01</SaleEffectiveDate>
                <SaleExpirationDate>2007-04-30</SaleExpirationDate>
                <NoNewMoneyDate>2007-04-30</NoNewMoneyDate>
        </InvestProduct>
        <PolicyProduct id="policyproduct1">
                <InvestProductInfo>
                        <CarrierCode>12345</CarrierCode>
                        <ProductCode>X</ProductCode>
                        <JurisdictionApproval>
                                <Jurisdiction tc="1">Alaska</Jurisdiction>
                        </JurisdictionApproval>
                        <JurisdictionApproval>
                                <Jurisdiction tc="2">Arkansas</Jurisdiction>
                        </JurisdictionApproval>
                        <JurisdictionApproval>
                                <Jurisdiction tc="6">California</Jurisdiction>
                                <SaleEffectiveDate>2007-05-15</SaleEffectiveDate>
                                <!--EbixExchange will submit MR to add JurisdictionApproval to
InvestProduct to enable state effective dates across products.-->
                        </JurisdictionApproval>
                </InvestProductInfo>
                <InvestProductInfo>
                        <CarrierCode>12345</CarrierCode>
                        <ProductCode>A</ProductCode>
                        <SaleExpirationDate>2007-04-30</SaleExpirationDate>
                </InvestProductInfo>
                <InvestProductInfo>
                        <CarrierCode>12345</CarrierCode>
                        <ProductCode>B</ProductCode>
                        <SaleExpirationDate>2007-05-01</SaleExpirationDate>
                        <JurisdictionApproval>
                                <Jurisdiction tc="1">Alaska</Jurisdiction>
                                <InforceExclusionContractDate>2007-04-30
</InforceExclusionContractDate>
                        </JurisdictionApproval>
                        <JurisdictionApproval>
                                <Jurisdiction tc="2">Arkansas</Jurisdiction>
                                <InforceExclusionContractDate>2007-04-30
</InforceExclusionContractDate>
                        </JurisdictionApproval>
```

```
                        <JurisdictionApproval>
                                <Jurisdiction tc="6">California</Jurisdiction>
                                <NoNewMoneyDate>2007-04-30</NoNewMoneyDate>
                        </JurisdictionApproval>
                </InvestProductInfo>
                <InvestProductInfo>
                        <CarrierCode>12345</CarrierCode>
                        <ProductCode>C</ProductCode>
                        <SaleExpirationDate>2007-05-01</SaleExpirationDate>
                        <JurisdictionApproval>
                                <Jurisdiction tc="1">Alaska</Jurisdiction>
                                <InforceExclusionCalendarDate>2007-04-30
</InforceExclusionCalendarDate>
                        </JurisdictionApproval>
                        <JurisdictionApproval>
                                <Jurisdiction tc="2">Arkansas</Jurisdiction>
                                <InforceExclusionCalendarDate>2007-04-30
</InforceExclusionCalendarDate>
                        </JurisdictionApproval>
                        <JurisdictionApproval>
                                <Jurisdiction tc="6">California</Jurisdiction>
                        </JurisdictionApproval>
                </InvestProductInfo>
                <InvestProductInfo>
                        <CarrierCode>12345</CarrierCode>
                        <ProductCode>D</ProductCode>
                </InvestProductInfo>
        </PolicyProduct>
</OLifE>
```

Example 2: September 15, 2006 change rider lineup.

● Add a GMIB rider. Available for sale on September 15, 2006 in Alaska and Arkansas and available on October 1, 2006 in California.

● Remove the MAV death benefit option as of September 15, 2006 from California only.

● Replace the GMAB rider. This replacement has been approved in Alaska and Arkansas for September 15, 2006, but for California there is a marketing campaign scheduled for October, so the existing GMAB will continue to be available in California until October 1, 2006, when the new GMAB will replace it.

The XML snippet below codes the changes as specified above.

```
<AnnuityProduct>
        <FeatureProduct>
                <FeatureCode>GMIB</FeatureCode>
                <FeatureMappingCode tc="86"/>
                <RiderTypeCode tc="204">GMIB</RiderTypeCode>
                <FeatureOptProduct>
                        <ProductCode>STD</ProductCode>
                </FeatureOptProduct>
                <JurisdictionApproval>
                        <Jurisdiction tc="1">Alaska</Jurisdiction>
```

```
                <SaleEffectiveDate>2006-09-15</SaleEffectiveDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="2">Arkansas</Jurisdiction>
                <SaleEffectiveDate>2006-09-15</SaleEffectiveDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="6">California</Jurisdiction>
                <SaleEffectiveDate>2006-10-01</SaleEffectiveDate>
        </JurisdictionApproval>
</FeatureProduct>
<FeatureProduct>
        <FeatureCode>OLD_GMAB</FeatureCode>
        <FeatureMappingCode tc="86"/>
        <RiderTypeCode tc="211">GMAB</RiderTypeCode>
        <FeatureOptProduct>
                <ProductCode>STD</ProductCode>
        </FeatureOptProduct>
        <JurisdictionApproval>
                <Jurisdiction tc="1">Alaska</Jurisdiction>
                <SaleExpirationDate>2006-09-14</SaleExpirationDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="2">Arkansas</Jurisdiction>
                <SaleExpirationDate>2006-09-14</SaleExpirationDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="6">California</Jurisdiction>
                <SaleExpirationDate>2006-09-30</SaleExpirationDate>
        </JurisdictionApproval>
</FeatureProduct>
<FeatureProduct>
        <FeatureCode>NEW_GMAB</FeatureCode>
        <FeatureMappingCode tc="86"/>
        <RiderTypeCode tc="211">GMAB</RiderTypeCode>
        <FeatureOptProduct>
                <ProductCode>STD</ProductCode>
        </FeatureOptProduct>
        <JurisdictionApproval>
                <Jurisdiction tc="1">Alaska</Jurisdiction>
                <SaleEffectiveDate>2006-09-15</SaleEffectiveDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="2">Arkansas</Jurisdiction>
                <SaleEffectiveDate>2006-09-15</SaleEffectiveDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="6">California</Jurisdiction>
                <SaleEffectiveDate>2006-10-01</SaleEffectiveDate>
        </JurisdictionApproval>
</FeatureProduct>
<FeatureProduct>
        <FeatureCode>MAV</FeatureCode>
        <FeatureMappingCode tc="86"/>
```

```
                    <RiderTypeCode tc="204">DB</RiderTypeCode>
                    <FeatureOptProduct>
                            <ProductCode>ROP</ProductCode>
                    </FeatureOptProduct>
                    <FeatureOptProduct>
                            <ProductCode>MAV</ProductCode>
                            <JurisdictionApproval>
                                    <Jurisdiction tc="1">Alaska</Jurisdiction>
                            </JurisdictionApproval>
                            <JurisdictionApproval>
                                    <Jurisdiction tc="2">Arkansas</Jurisdiction>
                            </JurisdictionApproval>
                            <JurisdictionApproval>
                                    <Jurisdiction tc="6">California</Jurisdiction>
                                    <SaleExpirationDate>2006-09-14</SaleExpirationDate>
                            </JurisdictionApproval>
                    </FeatureOptProduct>
                    <JurisdictionApproval>
                            <Jurisdiction tc="1">Alaska</Jurisdiction>
                    </JurisdictionApproval>
                    <JurisdictionApproval>
                            <Jurisdiction tc="2">Arkansas</Jurisdiction>
                    </JurisdictionApproval>
                    <JurisdictionApproval>
                            <Jurisdiction tc="6">California</Jurisdiction>
                    </JurisdictionApproval>
            </FeatureProduct>
</AnnuityProduct>
```

Example 3: September 15, 2006 new product.

- Product becomes available for sale on September 15, 2006 in Alaska and Arkansas and on October 1, 2006 in California.

The XML snippet below codes the changes specified above.

```
<PolicyProduct id="policyproduct1">
        <SaleEffectiveDate>2006-09-15</SaleEffectiveDate>
        <JurisdictionApproval>
                <Jurisdiction tc="1">Alaska</Jurisdiction>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="2">Arkansas</Jurisdiction>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="6">California</Jurisdiction>
                <SaleEffectiveDate>2006-10-01</SaleEffectiveDate>
        </JurisdictionApproval>
</PolicyProduct>
```

Example 4: September 15, 2006 product availability change.

- Product becomes unavailable for new business on September 15, 2006 in Alaska and Arkansas. It remains available for subpays in Alaska but not in Arkansas and is available for both new business and subpays in California.

The XML snippet below codes the changes above.

```
<PolicyProduct id="policyproduct1">
        <JurisdictionApproval>
                <Jurisdiction tc="1">Alaska</Jurisdiction>
                <SaleExpirationDate>2006-09-14</SaleExpirationDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="2">Arkansas</Jurisdiction>
                <NoNewMoneyDate>2006-09-14</NoNewMoneyDate>
        </JurisdictionApproval>
        <JurisdictionApproval>
                <Jurisdiction tc="6">California</Jurisdiction>
        </JurisdictionApproval>
</PolicyProduct>
```

D.7 Subsequent Premium

The PPfA can now support modeling of a subsequent premium feature, including a product which supports only subsequent premium transactions (i.e., the product is closed to new business but still accepts premiums for in-force contracts). A robust set of options are now supported through the PPfA.

Details in the PPfA that Impact Subsequent Premiums

- **Age Limits** – These may be coded in the Ownership and FeatureOptProduct objects. The variety of limits is more restricted than for applications. The limits are assumed to apply to attained age rather than issue age.

Caveat
The qualified plan, account designation, owner entity type, as well as owner and annuitant dates of birth are not captured by the Base Sub-Pay Wizard, so age limits are not enforced for the Base Sub-Pay Wizard. All this information is available for Tier 2 contracts through data feeds or pre-fill, so they are enforced for the Tier 2 Sub-Pay Wizard.

- **Premium Limits** – These may be coded in Ownership object. However, the limit is just on the transaction premium amount. The functionality to support Lifetime Maximum Cumulative Premium Amounts (MaxCumPremiumAmt) is not supported.

Caveat
The qualified plan, account designation, and owner entity type are not captured by the Base Sub-Pay Wizard, so premium limits are not enforced for the Base Sub-Pay Wizard. All this information is available for Tier 2 contracts through data feeds or pre-fill, so they are enforced for the Tier 2 Sub-Pay Wizard.

- **Subsequent Premium Allocation Option Conflicts and Requisites** – These may be coded in the FeatureOptProduct object.

Caveat

Initial indications are that the use of the Service Feature loop in the DTCC position feed is rare. This information is required in order to apply the conflicts and requisites. In addition, this use case for conflicts and requisites was never considered by the ACORD Annuity Enhancement Working Group and there may be unexposed modeling issues. For these reasons, **EbixExchange does not yet support conflicts and requisites on or pointing to the Subsequent Premium Allocation arrangement.**

- **Fund Restrictions Using ExclusionInvestProduct** on FeatureOptProduct for Subpays is not supported.

Caveat

Initial indications are that the use of the Service Feature loop in the DTCC position feed is rare. This information is required in order to apply the fund exclusions. In addition, this use case for conflicts and requisites was never considered by the ACORD Annuity Enhancement Working Group and there may be unexposed modeling issues. For these reasons, **EbixExchange does not yet support conflicts and requisites on or pointing to the Subsequent Premium Allocation arrangement.**

- ➢ **Self-Directed** – This option works exactly like the analogous option for the Initial Premium Allocation. Under this option, the user enters the percentages for the funds into which the subsequent premium are to be deposited. The SubpayDCAType should be Distribute Immediate (tc=3).

- ➢ **Use Standing Allocation** – This works differently – the SubPayDCAType property with a value of Distribute Immediately(tc=3) and DestTransferAmtType of Use Standing Allocation (tc=10) must be included in this FeatureOptProduct. Selection of this option instructs the carrier to use the existing Standing Allocation. This does not actually affect any DCA or SDCA program. This subsequent premium option does not have any FeatureOptRequisites. There should be no MaxNumDestInvestProd or DestInvestProduct defined for this option.

- ➢ **SDCA** – Modeled similarly to SDCA for applications, except that SubPayDCAType is used as follows:

  - ▪ **Add to Existing** (tc=1) – Selection of this option instructs the carrier to add the subsequent payment to the existing SDCA. This Subsequent Premium option does not have any FeatureOptRequisites. There should be no AllocTypeProduct, MaxNumDestInvestProd or DestInvestProduct for this option. The NSCC SUB file will have #4223 = Product Code for the subsequent premium option.

  - ▪ **Restart** (tc=2) -- Selection of this option instructs the carrier to use the subsequent payment to restart the previous SDCA. This Subsequent Premium option does not have any FeatureOptRequisites. There should be no AlocTypeProduct, MaxNumDestInvestProd or DestInvestProduct for this option. The NSCC SUB file will have #4223 = Product Code for the subsequent premium option.

  - ▪ **Start New** (tc=4) – Selection of this option instructs the carrier to create a new SDCA. This Subsequent Premium option does have FeatureOptRequisites in the same way that an SDCA option of the Initial Premium Allocation feature would.

➢ **Asset Allocation** – Modeled exactly the same as for initial premium except that the Subsequent Premium Allocation Feature is substituted for the Initial Premium Allocation Feature. SubPayDCAType of Add to Existing (tc=1) or Start New (tc=4).

D.8 Qualified Plans & Contract Role Restrictions

Each Ownership element details the age limits, premium limits, contract role counts, and allowed relationships that apply to a certain set of qualified plans and owner entity types.

● In 2.9.00.AN, a "qualified plan – owner entity type – account designation" combination could appear in at most one ownership element. This was a "primary key" of a sort. With the addition of JurisdictionApproval to Ownership in 2.10.01, the rule is now that a "qualified plan – owner entity type – account designation – jurisdiction" combination can appear in at most one ownership element. In this example, a non-qualified annuity may be owned by a person, trust, or corporation. These are the beneficial owners (i.e., if owned by a trust, that trust does not benefit the annuitant).

```
<Ownership>

   <QualifiedPlanEntity>

      <QualifiedPlanCC>

         <QualifiedPlan tc = "1">Non-Qualified</QualifiedPlan>

      </QualifiedPlanCC>

      <EntityType>

         <PartyTypeCode tc = "1">Person</PartyTypeCode>

      </EntityType>

      <EntityType>
```

```
        <OrgForm tc = "16">Trust</OrgForm>

        <PartyTypeCode tc = "2">Organization</PartyTypeCode>

    </EntityType>

    <EntityType>

        <OrgForm tc = "23">Corporation</OrgForm>

        <PartyTypeCode tc = "2">Organization</PartyTypeCode>

    </EntityType>

    <AccountDesignationCC>

        <AccountDesignation tc = "3">Owner</AccountDesignation>

    <AccountDesignationCC>

  </QualifiedPlanEntity>

</Ownership>
```

● Sometimes one needs to have two ownership elements for a single QualifiedPlan. For instance, consider a non-qualified plan where an issue age limit of 80 is applied to the owner if the owner is a natural person and otherwise to the annuitant. This requires two ownership elements to model because if the age limit of 80 is specified for both the owner and annuitant, then an owner age 75 and an annuitant age 85 would not be permitted, although the originally stated rule would permit this. This is modeled by creating two ownership elements with non-qualified QualPlan, one with EntityType of Person and the other with EntityTypes of Trust and Corporation. The first would have MaxIssueAgeOwner = 80 and no MaxIssueAge element, and the second would have MaxIssueAge = 80 and no MaxIssueAgeOwner.

```
<Ownership>

   <QualifiedPlanEntity>

      <QualifiedPlanCC>

         <QualifiedPlan tc = "1">Non-Qualified</QualifiedPlan>

      </QualifiedPlanCC>

      <EntityType>

         <PartyTypeCode tc = "1">Person</PartyTypeCode>

      </EntityType>

      <AccountDesignationCC>

         <AccountDesignation tc = "3">Owner</AccountDesignation>

      <AccountDesignationCC>

   </QualifiedPlanEntity>

   <MaxOwnerIssueAge>80</MaxOwnerIssueAge>

</Ownership>

<Ownership>

   <QualifiedPlanEntity>

      <QualifiedPlanCC>

         <QualifiedPlan tc = "1">Non-Qualified</QualifiedPlan>

      </QualifiedPlanCC>

      <EntityType>

         <OrgForm tc = "16">Trust</OrgForm>

         <PartyTypeCode tc = "2">Organization</PartyTypeCode>
```

```
        </EntityType>

        <EntityType>

            <OrgForm tc = "23">Corporation</OrgForm>

            <PartyTypeCode tc = "2">Organization</PartyTypeCode>

        </EntityType>

        <AccountDesignationCC>

            <AccountDesignation tc = "3">Owner</AccountDesignation>

        <AccountDesignationCC>

    </QualifiedPlanEntity>

    <MaxIssueAge>80</MaxIssueAge>

</Ownership>
```

- In order to model the Ownership elements correctly, first group those "qualified plan – owner entity type" combinations that have the same rules with regard to age limits, premium limits, contract role counts, and allowed relationships. These "qualified plan – owner entity type" combinations may be grouped together in the same ownership element.

D.9 Age and Premium Limits

- All limits are applied independently.

- MinIssueAgeOwner and MaxIssueAgeOwner limits are applied to all natural owners. They are ignored if the owner is non-natural – as per *PPfA Implementation Guide.*

- MinIssueAge and MaxIssueAge are applied to all annuitants as per *PPfA Implementation Guide.*

- MaxAddOnAge and MaxAddOnAgeOwner are applied to all annuitants and owners, respectively, as per *PPfA Implementation Guide.*

Caveat   These limits are only applied to contracts for which EbixExchange receives position feeds, and Account Inquiry has been enabled.

- The Custodial Account Beneficiary screen captures Date of Birth and will be used to enforce the age restrictions defined in the Spousal Rider feature. A vetting message linked to the Benefits page will enforce age restrictions for the Custodial Beneficiary.

  ➢ Custodial and Non-Custodial Beneficiary Age Restrictions for Spousal Rider uses the FeatureOptProduct.MinIssueAge or MaxIssueAge.

- Other age limits, such as MinIssueAgeJointCoveredPerson, are applied to all persons that have the contract role.

- Age Calculation Method – AgeCalculationType is supported off PolicyProduct to determine ages at the Ownership level and FeatureOptProduct to determine ages for features.
  - ➢ Age Last Birthday (tc=2) – indicates the age of the last Birthday is used
  - ➢ Age Nearest in Days (tc=3) – indicates rounding, where 182 or fewer days from last birthday, the age is rounded to the last birthday . Greater than 182 indicates rounding the age to the next birthday
  - ➢ All other type codes, such as Age Next Birthday,(tc=1) and Age Nearest by Month/Date (tc=4) are ignored by the platform and are interpreted as Age Last Birthday.
- When rounding is performed, the vetting message will display the age as a whole number. If the Owner is 85 and the current date is 200 days after the date of birth, the vetting message will display an Owner age of 86.

> **Note** All issue premium limits are enforced. The new money contribution limits for qualified plans are enforced regardless of what is put in the PPfA (there is no way to indicate different premium limits for new money and transfers). The Add On premium limits are only applied to contracts for which EbixExchange receives position feeds, and Account Inquiry has been enabled..

D.10 Qualified Plans, Owner Entity Type, Trust Type, Account Designation.

- **Qualified Plan Name** – The plan names displayed in the Wizard will be drawn from EbixExchange's list of names. The type code literal, if provided in the PPfA, is not used.

- **Owner Entity Type** – EbixExchange supports person, trust, charitable organization, corporation, and other.

- **Trust Type** – The use of TrustType to further refine trust is optional. EbixExchange supports the trust types of grantor, charitable remainder, estate, testamentary, living, minority, qualified plan, and other.

> **Note** The QualifiedPlan type codes 53 = Inherited IRA (aka Stretch IRA) is supported to capture the Inherited Owner and Decedent information.

- **Account Designation Definitions** – This indicates the allowed ways the annuity can be registered. The following values are supported:

  - ➢ **Owner** – owned by the beneficial owner for a non-qualified contract. Joint owners are not precluded. (i.e., the account is setup as an owner but you can still have a joint owner on the contract.)

  - ➢ **Self-Directed** – the beneficial owner is the annuitant, who may make decisions regarding the contract even though the owner may be someone else or a Plan or some other non-natural entity.

  - ➢ **UGMA/UTMA** – held for the benefit of the minor (annuitant) according to the Uniform Gift to Minors Act.

➢ **Custodial** – held for the benefit of the annuitant in a custodial arrangement. The custodian will handle all tax reporting. Prior to 2.16, EbixExchange only supported owner entity type of Other. Now EbixExchange supports OrgForm tc=23 (Corporation) when AccountDesignation tc=5 (Custodial). The standard EbixExchange treatment of this account designation is to suppress the owner screen and return the distributor-specific custodian as the owner in the new business file. The owner name is the concatenation of the custodian name, "FBO," and the annuitant name. The owner entity type returned in the NSCC APP/SUB feed is Custodian.

➢ **Trust** – held in trust for the beneficial owner – the owner entity type is always Trust. Sometimes the owner entity type may be Trust, and the account designation may be other than Trust such as Owner.

➢ **Joint** – jointly owned with rights of survivorship – Joint Account Designation requires that the contract have joint owners.

The owner entity type for UTMA/UGMA must always be a person.

● **Custodian vs. Custodial** – The terminology regarding custodians and custodial accounts is quite confusing. The ACORD Annuity Enhancement Working Group's use of the terms is as follows:

➢ **Custodian** – an individual or entity that acts as custodian for the annuitant, similar to a guardian. "Custodian" has been deprecated from the ACORD model as a possible relationship, the custodial relation cannot be modeled as part of relationship checking with the AllowedRelationship element.

➢ **Custodial** – an account registration indicating that the custodial owner is responsible for IRS reporting.

➢ **Example** – an IRA may either be owned by the annuitant or by a custodian.

```
<Ownership>

   <QualifiedPlanEntity>

         <QualifiedPlanCC>

         <QualifiedPlan tc = "5">IRA</QualifiedPlan>

               </QualifiedPlanCC>

      <EntityType>

         <PartyTypeCode tc = "1">Person</PartyTypeCode>

      </EntityType>
```

```
    <AccountDesignationCC>

        <AccountDesignation tc = "3">Owner</AccountDesignation>

    <AccountDesignationCC>

</QualifiedPlanEntity>

<AllowedRelationship>

    <OriginatingRole tc = "18">Owner</OriginatingRole>

    <RelatedRole tc = "27">annuitant</OriginatingRole>

    <Relationship>

        <Relationship tc = "168">Self</Relationship>

    </Relationship>

<AllowedRelationship>

</Ownership>

<Ownership>

    <QualifiedPlanEntity>

        <QualifiedPlanCC>

        <QualifiedPlan tc = "5">IRA</QualifiedPlan>

            </QualifiedPlanCC>

    <EntityType>

        <OrgForm tc = "23">Corporation</OrgForm>

        <PartyTypeCode tc = "2">Organization</PartyTypeCode>

    </EntityType>

    <AccountDesignationCC>

        <AccountDesignation tc = "5">Custodial</AccountDesignation>

    <AccountDesignationCC>

</QualifiedPlanEntity>

</Ownership>
```

> **Note** The QualifiedPlan type codes 49 = SARSEP is no longer supported. Please use type code 40 for both 408k and SARSEP.

- In order to model the ownership elements correctly, first group those "qualified plan -- owner entity type – (account designation)" combinations that have the same rules with regard to age limits, premium limits, contract role counts, and allowed relationships. These "qualified plan -- owner entity type" combinations may be grouped together in the same ownership element.

- The Baseline Wizard supports the following rules for a "qualified plan -- owner entity type" combination:

  ➢ **Age Limits**

    ▪ MaxAddOnAge and MaxAddOnAgeOwner are not supported in the Tier I Baseline Sub-pay Wizard because no qualified plan data is collected for sub-pays. They are supported in the case where the annuity contract position data is sent to EbixExchange and Account Inquiry is enabled.

    ▪ AllowExceptionsToAgeInd is supported. If the value is true, then one will be able to submit the transaction even if the limit is violated – although a warning will be generated in this case. If the value is false, then one will not be able to submit the transaction if the limit is violated.

    ▪ MinIssueAgeOwner and MaxIssueAgeOwner limits are applied to all owners.

    ▪ The more specific owner limits such as MinIssueAgePrimaryOwner or MaxIssueAgePrimaryOwner are applied to the primary owner, and MinIssueAgeJointOwner or MaxIssueAgeJointOwner is applied to all joint owners, etc.

    ▪ MinIssueAge and MaxIssueAge are applied to all annuitants.

    ▪ The more specific owner limits such as MinIssueAgePrimaryCoveredPerson or MaxIssueAgePrimaryCoveredPerson are applied to the primary annuitant, and MinIssueAgeJointOwner, or MaxIssueAgeJointCoveredPerson are applied to all joint annuitants, etc.

  ➢ **Premium Limits**

    ▪ MinPremiumAddOnAmt and MaxPremiumAddOnAmt are not supported in the Tier 1 Baseline Sub-pay Wizard because no qualified plan data is collected for sub-pays. They are supported in the case where the annuity contract position data is sent to EbixExchange and Account Inquiry is enabled.

    ▪ MinPremiumInitialAmt and MaxPremiumInitialAmt are supported.

    ▪ AllowExceptionsToPremiumInd has been deprecated and with the 2.16 migration, EbixExchange supports AllowExceptionsToMaxPremiumxInd and AllowExceptionsToMinPremiumInd. If the value is true, then one will be able to submit the transaction even if the limit is violated – although a warning will be generated in this case. If the value is false, then one will not be able to submit the transaction if the limit is violated. Note: Some distributor platforms have deployed a High Premium Override Workflow Stop. In these cases the AllowExceptionsToMaxPremiumInd and AllowExceptionsToMinPremiumInd are ignored and all transactions exceeding the maximums or minimums are routed to the distributor back office for exception handling.

    ▪ **Contract Role Counts** – all are supported

➢ **Allowed Relationships** – Modeling

▪ Match the PolicyProduct.ParticipantBasedOn to the Originating Role.
▪ The AllowedRelationship is defined as the [RelatedRole] is the [Relationship] of the [OriginatingRole].
▪ If a relationship is not specifically described, then it is not allowed.

```
<PolicyProduct>

        <ParticipantBasedOn tc= "27">Annuitant</ParticipantBasedOn>

        <Ownership>

                <AllowedRelationship>

                        <OriginatingRole tc="35">Annuitant</OriginatingRole>

                        <RelatedRole tc="8">Owner</RelatedRole>

                        <RelationshipCC>

                                <Relationship tc="3">Parent</Relationship>

                        </RelationshipCC>

                <AllowedRelationship>

        </Ownership>

</PolicyProduct>
```

This should be read as "The owner is the parent of the annuitant."   The OriginatingRole value should match that specified in the PolicyProduct.ParticipantBasedOn element.

The use of Relationship = "All," "Any," and "Any but Self" should be avoided. If these values were to be used, then the list of allowed relationships could change at any time.

➢ **Allowed Relationships Supported – this is EbixExchange-specific**

▪ For owner-centric products, the Baseline Wizard supports and requires the relationships of beneficiary to owner (that is the owner is the OriginatingRole). The relationships of annuitant to owner, joint owner to owner (if joint owner is allowed), contingent owner to owner (if contingent owner is allowed), and contingent annuitant to owner (if contingent annuitant is allowed) may or may not be included in the PPfA. If included, the relevant drop-down will appear.

▪ For annuitant-centric products, the Baseline Wizard supports and requires the relationships of beneficiary to annuitant (that is, the annuitant is the OriginatingRole). The relationships of owner to annuitant, contingent owner to annuitant (if contingent owner is allowed), joint annuitant to annuitant (if joint annuitant is allowed), and contingent annuitant to annuitant (if contingent annuitant is allowed) may or may not be included in the PPfA. If included, the relevant drop-down will appear.

▪ The Baseline Wizard does distinguish between primary and contingent beneficiaries in relationship vetting at the time the application is submitted.

▪ Because there is just one Beneficiary screen (with primary vs. contingent indicated by radio buttons), the relationship drop-down contains the union of the relationships for both primary and contingent beneficiary.

Because of the instability that they cause, EbixExchange has deprecated the relationship values "All," "Any." and "Any but Self."

D.11 Miscellaneous

- **All Codes** – EbixExchange requires that all codes consist of capital letters, digits, and underscores only. This applies to ProductCode, CarrierCode, OrgCode, FeatureCode, AuthorizationKey (which may eventually be used as a code) and RateVariationCode.

  ➢ InvestProduct.ProductCode – when the InvestProductTypeCode = 24 (Category), the ProductCode must begin with an Alpha Character.

- **CarrierOrgCode -** Since the Carrier.OrgCode is verified against Foundry during the PPfA upload process the OrgCode must be a valid code for AnnuityNet. The Carrier.OrgCode must be a valid OrgCode and setup in Foundry. All OrgCodes must be unique.

- **Party.FullName** - Every instance of Party.FullName must be unique within the PPfA.

- **Party Related and Distribution Agreement Codes** – EbixExchange requires that the Party/Carrier/CarrierCode, Party/Carrier/NAICCode, DistributionAgreement/CarrierCode, and DistributionAgreementInfo/CarrierCode to be the Carrier's NAIC code and that both for carriers and distributors the Party/OrgCode be the ID given by EbixExchange. Please contact your Project Manager for the list of IDs. The correct NAIC code is required for L&A checks.

- **DistributionAgreeementCode under Party.Producer.CarrierAppointment.Distribution Agreement Info** - Every DistributionAgreementCode under Party.Producer.CarrierAppointment.DistributionAgreementInfo must have a corresponding DistributionAgreementCode under DistributionAgreement.

- **DistributionAgreement and DistributionAgreementCode** - Every DistributionAgreementCode under DistribtionAgreement must be unique.

- **DistributionAgreement and PolicyProduct** - DistributionAggreement cannot be referenced to more than one PolicyProduct. An error message occurs when there is more than one instance of a PolicyProductInfo for the same DistributionAgreement with the same ProductCode.

- **DistributionAgreementCode and ProducerObject** - When a Producer Object is present, DistributionAgreementCode is required and cannot be blank.

- **Product Code** – To properly identify the selected feature options, carriers are required to uniquely identify the product by assigning a unique ProductCode for each instance of a feature. No two ProductCodes within a PolicyProduct may be the same. The exception is when more than one FeatureOptProduct within the same FeatureProduct varies by Jurisdiction, QualifiedPlanEntity, EntityType or AccountDesignation, and then the ProductCode can be used for each option within a single instance of the feature.

- Every instance **InvestProduct** must have a unique **ProductCode**.

- **Policy Product** - Each instance of PolicyProduct must be unique. None of the PolicyProduct should have common PolicyProductCodes under the PolicyProduct node.

- **PolicyProducts must vary by Jurisdiction** - Each PolicyProduct must vary by Jurisdiction where there is more than one instance of a PolicyProductInfo for the same DistributionAgreement with different ProductCodes.

> **Note**
>
> More than one PolicyProductInfo containing different ProductCodes for a single DistributionAgreement that does not vary by Jurisdiction but does vary by App and SubType is allowed.

- **PolicyProduct and Jurisdiction Nodes** - Each Jurisdiction on PolicyProduct must only be referenced once and should not contain duplicate states.

- **InvestProduct Defined as a Category** - Every InvestProduct defined as a Category must contain Funds under InvestProductInfo.

- **InvestProduct/TypeCode and InvestProduct/RateType -** InvestProductTypeCode and RateType should not be blank under InvestProduct node. They are required.

- **Feature Codes** – The FeatureCode is technically only supposed to have meaning in the context of FeatureConflict, FeatureRequisite, FeatureOptConflict, and FeatureOptRequisite. However, the FeatureTransactionProduct requires that each instance of a FeatureProduct must be uniquely assigned within a PolicyProduct. The FeatureCode is not passed to the DTCC APP/SUB feed (#4212) – the ProductCode is passed in #4223.

- **Display Name for Carrier** – EbixExchange draws the display of the carrier name on the Platform from Party.Organization.AbbrName, this is generally the marketing name. The Transaction Detail Report displays the carrier name from the Party.FullName property when present and CarrierForm tc=1. If not present, the TDR displays the Party.Organization.AbbrName. The FullName represents the legal entity name.

  A Named Item ABBRNAME will generate based on the AbbrName from the PPfA for the corresponding distributor's OrgCode. This Named Item may be used as a common NI for Distriburors (including correspondent models).

- **Display Name for Fund** – EbixExchange draws the display name for a fund from InvestProduct/FullName. Funds are displayed alphabetically by full name.

- **Display of Fund Manager** – EbixExchange draws the display of the Fund Manager Name from the InvestProduct/CarrierName.

- **Display of rider and arrangements** – EbixExchange draws the display of the Rider or Arrangement on the Benefits page from the FeatureProduct/ArrType or FeatureProduct/ RiderTypeCode and the FeatureProduct.Name. The actual type code ACORD description displays followed by the FeatureOptProduct.Name (if there is only one option). When multiple options are

modeled under a single instance of a feature, each FeatureOptProduct.Name displays below the feature type code ACORD Description.

- **Display Name for Product** – EbixExchange draws the display name for a product from PolicyProduct/ShortName.

- **EbixExchange supports Jurisdictions in the following objects:** PolicyProduct, Feature, FeatureOptProduct, MetaData, InvestProduct, Ownership, Fee, and PolicyProductInfo.

- **Type code literals** – If provided in the PPfA, are not used by the Baseline Wizard.

- **AllowedDay** – Elements are displayed on the wizard according to the order presented in the PPfA.

- **MinNumPrimaryCoveredPersons** – supported – when set to 2 or greater, a Joint Annuitant is required.

D.12 Authorizations

- Each authorization element results in one question for the wizard.

- In order to be compatible with DTCC, only a single AuthorizedTransaction (may be "all") and a single BusinessMethod (may be "all") are permitted in each authorization element.

- The DTCC APP layout only permits one authorization per entity, so please consider this for DTCC implementations.

- AuthorizationKey is required so that the answer to the question can be accessed for forms.

D.13 Interest Rates

Some distributors require interest rates and rate effective dates to populate various disclosure forms. At this time the AnnuityNet Platform gathers this data through a Distributor Fields a la Carte data capture. So, use of the XTbML to indicate the interest rates are not required.

D.14 Bonus Products

Some distributors require additional disclosure for bonus products. Our definition of a bonus product is one where there is either a Bonus Rider (also known as Premium Enhancement Rider) (tc = 212) (i.e., a bonus or account value adjustment is awarded at or after policy issue, and may or may not be based on premium amounts or funds selected) or there is a bonus interest rate on a fixed product. Because of the distributor requirements, all bonus products must have a Premium Enhancement rider with the bonus correctly modeled.

- FeatureOptProduct/Reward – This is where the bonus of a feature is modeled. EbixExchange supports the following properties:

➢ **RewardResultType** – Identifies the type of reward, bonus or incentive. Applicable to the plan
   or policy. Tc=7(Premium Bonus)
➢ **RewardPercent** – the percent to be returned or percent of increate applicable to the reward.

● **Premium Enhancement (Bonus Rider) with an Expense (Fee)–** The selection of the Premium
   Enhancement Benefit offers a 5% credit and costs 25 basis points:

```xml
<FeatureProduct>
      <FeatureCode>PE</FeatureCode>
      <RiderTypeCode>212>Bonus Rider</RiderTypeCode>
</FeatureProduct>
<FeatureOptProduct id="_FOP_1">
      <ProductCode>OI2</ProductCode>
      <Name>Premium Enhancement Benefit</Name>
        <Fee id="_db81d5d0-112e-4e29-b889-65373520d00b">
              <FeeType tc="4">Base M&E Fee</FeeType>
              <FeeMode tc="8">Daily</FeeMode>
        <Description>Rider Charge</Description>
              <FeePct>0.25</ FeePct >
        </Fee>
        <Reward>
              <RewardType tc="7">Premium Bonus</RewardType>
              <RewardPercent>5.00</RewardPercent>
</FeatureOptProduct>
```

D.15 Market Value Adjustment Products

Distributors vary in their definition of a Market Value Adjustment (MVA) Product as well as in their treatment
(disclosure forms and operational or suitability stops) of MVA products. To make the most granular control
available, EbixExchange requires that the MVA funds be coded as such with MarketValAdjustInd = 1.

D.16 Product and Feature Descriptions

● PolicyProduct/Description – This string field may be used to populate certain distributor forms. It is
   not currently displayed in the wizard.
● FeatureOptProduct/Description – This string field may be used to populate certain distributor forms.
   It is not currently displayed in the wizard.

Note   The Description fields also provide additional functionality on the Benefits screen of the
platform. Please refer to the **Feature Help Display** section of this document for further
details.

D.17 Fees

Some distributors require fee information to populate various disclosure forms. Because EbixExchange will
be called upon to compute the total asset-based charge for a contract, the charges for riders will be
assumed to be additive. That is, we are assuming that the total contract asset-based charge is the sum of
the charges for the product and for all the riders that are selected. If a product offers discounts for groupings

of riders, then please contact EbixExchange so adjustments can be made. This data is required in the PPfA for all products.

- ● PolicyProduct/Fee – TDR displays: :
  - ➢ M&E - FeeType tc=4 (Base M&E)
  - ➢ Admin Charges – sums FeeType tc=2 (Administration) and tc=5 (Asset Based Admin)
  - ➢ Annual Contract Charges - FeeType tc=1 (Annual Contract Charges)
  - ➢ Sales Load – FeeType tc=13 (Sales Load)
  - ➢ **Policy Marketing % Admin Charges -** Fee tc=1**022500035**

Note PolicyProduct.Fee's that vary by Jurisdiction are supported and only the Fee(s) specific to the Jurisdiction will be calculated and displayed on the Transaction Detail Report

- ● FeatureOptProduct/Fee – This is where the cost of a feature is modeled Fee Type tc=4 (M&E) is the only FeeType type code supported. Any other type code will not display the Fee on the TDR (Transaction Detail Report). Fees are now supported for Riders and Service Programs.

  - ➢ The carrier has the ability to repeat the Fee object off a single FeatureOptProduct and enumerate the available states in JurisdictionApproval to define fees that vary by jurisdiction. When JurisdictionApproval is modeled off of Fee, the Jurisdiction property will include the approved jurisdictions for that fee.

Note With the migration of 2.16, the CostBP was deprecated from FeatureOptProduct and the Fee and Reward aggregates were introduced. Bonus Riders (Premium Enhancement riders) can now indicate a bonus (Reward) and an asset-based charge. Please refer to the **Bonus Products** section of this document for modeling details.

Warning Note: Fee.FeePct – This field is used to indicate the percentage or Basis Point. A six percent fee is modeled as 6 or 6.00, a 300 basis points is modeled as 3 (1% = 100 basis points). AnnuityNet supports 2 decimal places and if more are modeled, they will round up to two decimal places.

D.18 Commission Options

The commission options available for a product/distributor combination are listed in PolicyProduct/CommissionProduct/CommOptionAvailable and in DistributionAgreement/PolicyProductInfo/CommOptionAvailable. When used in context of DistributionAgreement/PolicyProductInfo, it shows the commission options available for this Producer (within the context of this Distribution Agreement for this allowed product). The values of MinAvailableAge and MaxAvailableAge in DistributionAgreement/PolicyProductInfo/CommOptionAvailable are used to determine the minimum and maximum ages (inclusive) for which the commission option is available. These limits are applied to applications only – not subpays.

Note — With the migration of 2.16, CommScheduleCode was added to CommSchedule and to PolicyProductInfo and replaced CommissionScheduleKey. CommScheduleCode is now the entity recognition for linking the CommSchedule and PolicyProductInfo. CommissionScheduleKey is no longer supported, and will be ignored by EbixExchange if it is included in the PPfA.

Caveat — Each commission option in DistributionAgreement/PolicyProductInfo/CommOptionAvailable must be linked to a CommSchedule which all of whose CommFormula(s) must be linked to XTbML(s). If EbixExchange is not going to compute the commission percentage for netting or receivable creation purposes, then send the XTbML can be a simple table with now Axes or Keys and a single <Y> value of 0

Caveat — When on PolicyProduct, it shows all the commission options available for the product – This usage is not supported by either the NAVA/ACORD PPfA Implementation Guide or EbixExchange. CommissionProduct contains a number of properties that assist in the accurate understanding of the commission tables.

Further details about CommissionProduct:

Caveat — The actual list of CommOptionAvailable in CommissionProduct is ignored when it appears in PolicyProduct. The commission options available are determined by DistributionAgreement/PolicyProductInfo/CommOptionAvailable.

- **Ages** – The age used for limiting commission availability and for commission banding is the same. AccountDesignation, Owner EntityType, ParticipantBasedPartySelection, CommissionAgeCalculationType, CommissionAgePartySelection further define the way the age is calculated and whose age is used. The rule is as follows: if the beneficial owner is not the owner (account designation is trust, custodial, self-directed, or UTMA/UGMA) or the primary owner is not a person, then use the annuitant(s), no matter what the value of ParticipantBasedPartySelection. Then apply CommissionAgePartySelection. See the table below for details.

  ➢ **ParticipantBasedPartySelection** – Indicates whose ages need to be considered in age banding and availability of commission options when different from the parties indicated via PolicyProduct/ParticipantBasedOn. This is further refined in CommissionAgePartySelection.

    Caveat — The PPfA Implementation Guide indicates that ParticipantBasedPartySelection is to be used if different from PolicyProduct/ParticipantBasedOn. EbixExchange requires the use of ParticipantBasedPartySelection is required for any age banding or if commission option availability is restricted by age. The type codes supported by EbixExchange for ParticipantBasedPartySelection are 18 (owner(s)), 27 (annuitant(s)), and 36 (owner(s) and annuitant(s)). The type codes supported by Ebix for PolicyProduct.ParticipantBasedOn are 18 (owner(s)), 27 (annuitant(s)), 42 (Owner if Person).

> - **CommissionAgePartySelection** – Indicates whether the youngest or oldest of the individuals included via ParticipantBasedPartySelection should be used for age banding and availability. (2 represents Oldest and 3 for Youngest)

> - **CommissionAgeCalculationType** – Indicates whether the age is computed on the basis of last birthday, nearest birthday, or next birthday. EbixExchange supports the type codes 1 (next birthday), 2 (last birthday), and 3 (nearest in days).

Account Designation	Owner Entity Type	Participant Based Party Selection	Commission Age Party Selection	Individual
Trust, Custodial, Self-Directed or UTMA/UGMA	Person	Owner	Youngest	Youngest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Person	Annuitant	Youngest	Youngest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Person	Both Owner and Annuitant	Youngest	Youngest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Person	Owner	Oldest	Oldest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Person	Annuitant	Oldest	Oldest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Person	Both Owner and Annuitant	Oldest	Oldest Annuitant
Owner or Joint	Person	Owner	Youngest	Youngest Owner
Owner or Joint	Person	Annuitant	Youngest	Youngest Annuitant
Owner or Joint	Person	Both Owner and Annuitant	Youngest	Youngest Annuitant or Owner
Owner or Joint	Person	Owner	Oldest	Oldest Owner
Owner or Joint	Person	Annuitant	Oldest	Oldest Annuitant
Owner or Joint	Person	Both Owner and Annuitant	Oldest	Oldest Annuitant or Owner
Trust, Custodial, Self-Directed	Non - Person	Owner	Youngest	Youngest

Account Designation	Owner Entity Type	Participant Based Party Selection	Commission Age Party Selection	Individual
or UTMA/UGMA				Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Non - Person	Annuitant	Youngest	Youngest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Non - Person	Both Owner and Annuitant	Youngest	Youngest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Non - Person	Owner	Oldest	Oldest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Non - Person	Annuitant	Oldest	Oldest Annuitant
Trust, Custodial, Self-Directed or UTMA/UGMA	Non - Person	Both Owner and Annuitant	Oldest	Oldest Annuitant
Owner or Joint	Non - Person	Owner	Youngest	Youngest Annuitant
Owner or Joint	Non - Person	Annuitant	Youngest	Youngest Annuitant
Owner or Joint	Non - Person	Both Owner and Annuitant	Youngest	Youngest Annuitant
Owner or Joint	Non - Person	Owner	Oldest	Oldest Annuitant
Owner or Joint	Non - Person	Annuitant	Oldest	Oldest Annuitant
Owner or Joint	Non - Person	Both Owner and Annuitant	Oldest	Oldest Annuitant

D.19 XTbML

The XTbML structure is a general tabular data structure that was developed for mortality rate tables and other actuarial data and has been adapted to commission rate tables and to interest rate tables. In this section we will describe the support and modeling that EbixExchange currently provides for XTbML. As time goes on the support will be increased.

Mathematical Digression 1: The commission computation may be thought of abstractly as a function defined by the PPfA whose domain is the electronic application (or subpay). A subtle issue arises with regard to the form of the electronic application. In the PPfA a rider option is identified by its RiderTypeCode and ProductCode, whereas in the NBfA, a rider is identified by its RiderTypeCode and RiderCode. The

ProductCode and the RiderCode will have the same value, but there is an issue of how the commission table should reference a rider option. One view is that the electronic application is not really an NBfA at the stage where the commission is computed, and therefore, the rider option should be referred to as in the PPfA; the other view is that at any stage the electronic application is an NBfA, and therefore, the rider option should be referred to as in the NBfA. In addition there are complications, such as where there is data in the product side that is not available on the Holding side (i.e. which options are available to a rider) or where data derived from the NBfA. (The NBfA does not contain an indicator of qualified vs. non-qualified, although this can be inferred from the qualified plan code.) As a result of this complexity, absolute positions on this issue are untenable.

Mathematical Digression 2: A 5.5% commission rate should be coded as "5.5."

Mathematical Digression 3: The axis locations are specified by the T attribute. The left endpoint is included in the range for which the values apply. Consider

```
<Axis T = 5>
        <Axis T ='2'><Y>7</Y></Axis>
        <Axis T ='9'><Y>8</Y></Axis>
        <Axis T ='11'><Y>12</Y></Axis>
</Axis>
<Axis T = 10>
        <Axis T ='2'><Y>13</Y></Axis>
        <Axis T ='9'><Y>15</Y></Axis>
        <Axis T ='11'><Y>18</Y></Axis>
</Axis>
```

The value 8 applies to the Cartesian product interval of the two half-open intervals [5,10) and [9,11).

An overview of the structure of an XtbML is as follows:

- **ContentClassification** – This object describes the tabular data and contains information about the content of the table.

- **Table** – This object contains the actual table values as well as metadata that describe the various dimensions of the table.

At a more detailed level the XtbML is modeled:

- **ContentClassification/(TableIdentity, ProviderDomain)** – Used to link with CommFormula. The ACORD model requires that the (TableRef/TableIdentity, TableRef/ProviderDomain) pair be unique across XtbML instances (actually that the (CarrierCode, TableIdentity, ProviderDomain) triple function as a primary key). EbixExchange additionally requires that TableIdentity be unique for a carrier (i.e. EbixExchange requires that the (CarrierCode, TableIdentity) pair function as a primary key).

  > *Note* With the migration of 2.16, TableIdentity and ProviderDomain now reside in CommFormula/TableRef.

- **MetaData/JurisdictionCC** – Used to indicate the states for which the table is valid. EbixExchange supports multiple Table objects within one XtbML object as long as JurisdictionCC is used in MetaData to differentiate the states in which the different Table objects apply.

● **MetaData/ScalingFactor** – An optional property used to identify the scale of the numbers used in the table by powers of 10. EbixExchange supports a value of 0 only for ScalingFactor – that is, no scaling.

● **MetaData/DataType** – A variety of different types of data can be represented in XtbML. Since the EbixExchange only supports commission rate tables in XtbML, numerical data is all that EbixExchange accepts.

➢ **Numerical** – With the migration to 2.16, EbixExchange only supports the data type (tc=20) Percentage (integer, long, short, double, decimal are no longer supported).

➢ **Date** – Date data is presumed to have the W3 format of ccyy-mm-dd.

➢ **Boolean** – Boolean data is specified as 0 = False, 1 = True.

➢ **String** – String data is read as a string.

● **MetaData/KeyDef** – A key is a discrete axis whose gross nature is specified via Key Type – String or Type Code. The definition is further refined by a variety of mechanisms.

➢ **Key Type is Type Code** – In 2.10, KeySubType is used. However, as of 2.11, a much more general structure using the new property KeyCodeType is instead. Rather than force all concerned to reprogram, EbixExchange support the use of the Extension mechanism in KeyDef to bring KeyCodeType functionality forward into 2.10.01.

KeyCodeType uses the OLI_LU_LOOKUP table to identify the table that is the source of the Type Code.

KeySubClassType uses the OLI_LU_OBJECTTYPE table to identify the object containing the property that uses the table identified by KeyCodeType. This property is used only when the table identified by KeyCodeType is used by multiple objects within the PPfA or NBfA.

> **Note** Data Conformity mandates the use of 32 (SubAccount) instead of 33 (InvestProduct) should be modeled. With the migration of 2.16, EbixExchange no longer supports 33 and only supports the KeySubClassType tc =32 (SubAccount) which is represented on the holding side of the NBfA.

KeySubClass uses a path of some sort to identify the instance of the object identified by KeySubClassType. This property is used only when multiple objects identified by (KeyCodeType, KeySubClassType) appear within the PPfA or NBfA.

EbixExchange supports the following key types:

▪ **Rate Type** – Used for commission rates that vary based on whether the fund the money is placed is fixed or variable. This code can be used either in the case where the whole premium must be deposited into one fund type (fixed or variable) or for the case where the premium may be deposited into both fund types and different commission rates are applied to each. The codes are KeyType tc = 1 (Type Code), KeySubClassType tc = 32 (SubAccount) Extension/KeyCodeType tc = 74 (OLI_LU_RATETYPE).   RateType is not supported by the platform.

Note: OLI_LU_RATETYPE is used by two properties in the ACORD model, RateType and InterestType. RateType is in the InvestProduct, RateVariation, and InvestPortfolio objects, and InterestType is in the SubAccount object. KeySubClassType tc = 32 (SubAccount) indicates that the Rate Type is from the SubAccount.

- **Qualified Plan** – Used for commission rates that vary by qualified plan. The codes are KeyType tc = 1 (Type Code), Extension/KeyCodeType tc = 65 (OLI_LU_QUALPLAN). Only a single qualified plan applies to an annuity contract or application, so KeySubClassType and KeySubClass are not required.

- **Qualified** – Used for commission rate table that have different values for qualified contracts vs. non-qualified contracts. The codes are KeyType tc = 1 (Type Code), Extension/KeyCodeType tc = 1062 (OLI_LU_QUALIFIED). Only a single qualified plan applies to an annuity contract or application, and this plan is either qualified or non-qualified, so KeySubClassType and KeySubClass are not required.

- **Extensions** – VendorCode is a required attribute on Extension and ExtensionCode is an optional attribute. For the KeyCodeType extension, the values are '86' (EbixExchange's ACORD Vendor code) and 'KeyCodeType'. EbixExchange requires both attributes to avoid any misunderstandings.

- **EnumeratedTypeCodeValues** – These values are the ones used as key values. They are included for those whose systems can use them to generate the shell for the tables efficiently rather than by looking into the Tables themselves. The values are placed in the 'tc' attributes rather than in between the beginning and ending element tags. When used in KeyDef, this represents the list of valid type codes that will be found in the corresponding XtbML Table

Caveat — EbixExchange requires that all type codes that will appear in the corresponding Key (as attribute 'tc') be enumerated.

Caveat — **Wildcards**. – Although the ACORD standards have added more robust functionality for the KeyDef structure;, EbixExchange has not implemented the Wildcard functionality.

Other – Consider a variable product that has 50 funds, the commission rate is 6% for the High Tech Fund and 5% for all other funds. The only way to express this is to have 50 EnumeratedStringValues. The corresponding Table will have 50 values for the InvestProduct.ProductCode Key, and the same data will be repeated 49 times. With the release of 2.12 there is a type code for this – however, since EbixExchange is currently using 2.10.01, this will not be supported at this time.

Null – Consider a product that has an optional Premium Enhancement rider that has three options, each option may or may not receive a different rate. One way to code this is to use an "*" (asterisk) to identify the commission when the Premium Enhancement rider is not selected. The "*" is used to represent a NULL value and will only be supported in the

EnumeratedStringValue property (and NOT the EnumeratedValue property) and is only used when KeySubType tc=21 (Product Code), KeySubClassType tc=86 (AnnuityRider) or tc=89 (Arrangement).

Issue Age	Premium Enhancement Option A (OPTIONA)	Premium Enhancement Option B (OPTIONB)	Premium Enhancement Option C (OPTIONC)	*
0-80	4%	4%	4%	6%
81	2%	2%	2%	3%

➢ **Key Type is String**

KeySubType identifies the nature of the string. EbixExchange supports tc 21 = Product Code only.

KeySubClassType uses the OLI_LU_OBJECTTYPE table to identify the object containing the string identified by KeySubType. This property is used only when the string identified by KeySubType is used by multiple objects within the PPfA or NBfA.

KeySubClass uses a path of some sort to identify the instance of the object identified by KeySubClassType. This property is used only when multiple objects identified by (KeySubType, KeySubClassType) appear within the PPfA or NBfA.

EbixExchange supports the following string key sub types:

▪ **Commission Option Extension** – Used to indicate the variant of a particular commission option that applies. The commission option extension is generated by the carrier and included in any position feed. It is commonly used when the commission rate varies by qualified plan, group vs. non-group, L-share, death benefit option, GMAB option, bonus, etc. Sometimes it is duplicative of information contained in the position feed and sometimes not.   Since we do not support Riders passed in the POS file to calculate commissions for Tier II Subpays, the Commission Option Extension is used in conjunction with the Commission Option. The precense of these nodes in the PPfA would then trigger a lookup of the Commission Extension fround on the POV.

The codes are KeyType = tc 2 (String), KeySubType tc = 9.

▪ **InvestProduct.ProductCode** – Used to indicate the particular fund. EbixExchange requires that the Product Code for each fund (in the context of a single annuity CUSIP) is unique. The ACORD model only requires that the (ProductCode, CarrierCode) pair be unique. This code can be used either for the case where the whole premium must be deposited into a single fund or for the case where the premium may be deposited into several funds and different commission rates are applied to each deposit.

The codes are KeyType = tc 2 (String), KeySubType tc = 21 (Product Code), KeySubClassType tc = 32 (SubAccount). The KeySubClass property is not used for this key because EbixExchange requires that ProductCode be unique across all InvestProducts.

Note

As of December 2009, we no longer sum the commission percentages for all the funds with money allocated and then calculate the percentage. The commission amount is now calculated based on the percentage of money allocated into the fund and the commission percent for that fund.

▪ **FeatureOptProduct.ProductCode** – Used to indicate which option of a particular feature was selected.

The codes are KeyType tc = 2 (String), KeySubType tc = 21 (Product Code), KeySubClassType tc = 86 (AnnuityRider) or tc=89 (Arrangement), KeySubClass = actual FeatureCode value.

Note: At first glance, either the Rider/RiderCode from the NBfA or the FeatureOptProduct/ProductCode could be used to define this key. However, this key is about the choice of options for a particular rider which is much better described in the PPfA. (FeatureCode is unique in the PPfA, whereas RiderCode may be shared be riders with different RiderTypeCodes and the same RiderTypeCode may refer to multiple riders.) For this reason we use the PPfA vocabulary for this key.

▪ **EnumeratedStringValues** – These values are the ones used as key values. They are included for those whose systems can use them to generate the shell for the tables efficiently rather than by looking into the Tables themselves. The values are placed in between the beginning and ending element tags rather than in a 'KeyIs' attribute. When EnumeratedStringValues is used in KeyDef, it is a string identifier which lists valid strings that will be found in the corresponding XTbML table.

Caveat

EbixExchange requires that all strings that will appear in the corresponding Key (as attribute 'KeyIs') be enumerated.

● **MetaData/AxisDef** – An axis is used for variables that have ordered ranges.

➢ The general nature of the axis is specified via Scale Type; it is further refined by Scale Sub Type. EbixExchange supports the following scales:

▪ **Date (Scale Type tc = 1)** – For applications the date axis is further refined by DateBasedOn that can have values such as application (signed), submit, transmit, etc. Although this property is documented as pertaining to the date axis applied to interest rates, the commission rate date will be presumed to follow the same rules (commission rate and interest rate dates should be synchronized, since interest rate specials are often tied to commission rate concessions).

Caveat

The only Date (ScaleType tc=1) axis that EbixExchange supports is the Issue Date (ScaleSubType tc = 13) axis. This is only supported for

subsequent premium transactions.

- **Ordinal Date (Scale Type tc = 2)** – This is a relative date axis. That is, the Contract Duration (Scale Sub Type tc = 15) or Deposit Duration (Scale Sub Type tc = 16), months since retirement, etc. The values on this axis are integers (i.e. contract year = 4).

  The only ordinal date (ScaleType tc=2) supported is Contract Duration (ScaleSubType tc=15) (only Mode tc = 1 (annual) is supported). The first value of the Contract Duration is 1.

- For the contract duration, EbixExchange will calculate commission using the LAST available value.

Although this is an example of an M&E of 0.95% for the first 7 years, and 0.80% in year 8 and thereafter, EbixExchange does not support XTbML tables for Fees.

```
<Fee id="_PolicyMEFee_1">
        <FeeType tc="4">Base M&E Fee</FeeType>
        <FeeMode tc="8">Daily</FeeMode>
<Description>Separate Account Annual Expenses</Description>
        <TableRef XTbMLID="Fee_PME_1">
<TableIdentity>PolicyMEFee<TableIdentity>
<ProviderDomain>EbixExchange.com</ProviderDomain>
</ TableRef >
</Fee>

<XTbML id="Fee_PME_1">
        <ContentClassification>
                <TableIdentity>PolicyMEFee</TableIdentity>
                <ProviderDomain>EbixExchange.com</ProviderDomain>
                <ProviderName>EbixExchange Solutions</ProviderName>
                <ContentType tc="66">Fee</ContentType>
                <TableName>Policy Mortality and Expense Fee</TableName>
                <TableDescription>Policy Mortality and Expense Fee</TableDescription>
        </ContentClassification>
        <Table>
                <MetaData>
                        <ScalingFactor>0</ScalingFactor>
                        <DataType tc="4">Double</DataType>
                        <AxisDef id="AxisDef_PME_1">
                                <ScaleType tc="2">Ordinal Date</ScaleType>
                                <ScaleSubType tc="15">Contract
Duration</ScaleSubType>
                                <AxisName>Date</AxisName>
                                <DimensionSequence>1</DimensionSequence>
                                <Increment>1</Increment>
                                <Continuous tc="1">True</Continuous>
                                <EnumeratedValue T="1"/>
                                <EnumeratedValue T="8"/>
                        </AxisDef>
                </MetaData>
                <Values>
```

```
<Axis T="1" AxisDefID=" AxisDef_PME_1">
       <Y>0.95</Y>
</Axis>
<Axis T="8" AxisDefID AxisDef_PME_1">
       <Y>0.80</Y>
```

- **Currency (Scale Type tc = 5)** – used to indicate the premium breaks for banding purposes. The Scale Sub Type of Premium (tc = 10) is used for the transaction premium (a maintenance request is being submitted to ACORD to update the documentation). The Scale Sub Type of Net Cumulative Premium (adjusted for withdrawals) (tc = 17) or Gross Cumulative Premium (not adjusted for withdrawals) (tc = 18) is often used for subsequent premium commission tables.

> **Note** **EbixExchange Account Inquiry Implementation Note:** Net Cumulative Premium is equivalent to DTCC positions Contract Value Qualifier of Total Premium (code 'TP') minus Total Withdrawal (code TW). Gross Cumulative Premium is equivalent to Total Premium (code 'TP').

> **Caveat** For applications EbixExchange only supports the Scale Sub Type tc=10 of (Transaction) Premium. For subsequent premium transactions EbixExchange supports the (Transaction) Premium tc=10, Net Cumulative Premium tc=17 and Gross Cumulative Premium tc=18 Scale Sub Types.

  - ❖ **BandingType** – This property indicates how the banding is to be applied.

    - ♦ **Simple (tc = 1)** – Indicates that the rate is to be applied to the whole premium.

    - ♦ **Marginal (tc = 2)** – Indicates that the rate is to be applied marginally. That is, if the rate is 3% for premium under $100,000 and 4% for premium over $100,000, and the premium amount is $200,000, then the 3% rate is applied to the first $100,000 and the 4% rate is applied to the second $100,000.

    > **Caveat** EbixExchange does not currently support marginal banding.

- **Age (Scale Type tc = 3)** – Used to indicate the age breaks for banding purposes. The person(s) whose age is being used and the method of calculating the age are indicated by ParticipantBasedPartySelection, CommissionAgePartySelection and CommissionAgeCalculationType within CommissionProduct.

  - ❖ **Issue Age (Scale Sub Type tc = 1)** – This indicates that the age should be calculated as of the issue date for the contract.

  - ❖ **Attained Age (Scale Sub Type tc = 2)** – This indicates that the age should be calculated as of the current date.

  - ➢ **Minimum and Maximum Values and Dates**

- **MinScaleValue and MaxScaleValue** – These values indicate the range for which the table is valid. The endpoints are included in the valid range.

  Caveat — In 2.9.00.AN this was used to support minimum and maximum age limits for which the commission option was available. In 2.10.01, for best results this should be coded using CommOptionAvailable/MinAvailableAge and MaxAvailableAge.

- **MinScaleDate and MaxScaleDate** – These values indicate the range for which the table is valid. The endpoints are included in the range.

  Caveat — EbixExchange does not support MinScaleDate and MaxScaleDate.

- **EnumeratedValues –** These values are the ones used for breakpoints. They are included for those whose systems can use them to generate the shell for the tables efficiently rather than by looking into the Tables themselves. The values are placed in the 'T' or 'DT' attributes rather than in between the beginning and ending element tags. .

  Caveat — EbixExchange requires that all values that will appear in the corresponding Axis (as attribute 'T' or 'DT') be enumerated.

Additionally, the numeric table values listed in the EnumeratedValues should be entered sequentially. Failure to enter the values in a sequential order in XtbML will cause Foundry to display incorrect Commission Details.

Order of Axes and Keys – Because of peculiarities in the ACORD schema, all Key axes are listed before all the Axis axes in the MetaData structure. Additionally, in the Table/Values structure, the Axes must be nested inside the Keys. Use DimensionSequence to indicate the nesting order. The value 1 is the outermost Key or Axis.

D.20 FundingSourceMethodsAllowed

This object indicates the allowed payment form/money from combinations that can be used for a qualified plan. This object currently has several outstanding issues that have caused EbixExchange to defer support for this object (type code clarifications, missing type codes, need to add PaymentMethod, etc.). EbixExchange will continue to support carrier configurations via the "Payment Methods & Money Forms" tab of the *Carrier Fields a la Carte* spreadsheet.

D.21 DistributionAgreement

This object is used to link distributors to products, commission options, and commission tables, as well as to indicate under what circumstances backdating, netting, and advancing are allowed. See the *PPfA Implementation Guide* for details.

The Baseline Wizard assumes that a commission option applies to all premiums associated with an application (as opposed to permitting the rep to select a different commission option for each premium).

Each commission option available for the application must have a rate for all the permitted commission events (non-exchange, internal exchange, external exchange). A commission event is considered an *exchange* if it is *cash later* and carrier obtains the money directly from the financial institution. It is considered an *internal exchange* if it is a replacement of a life or annuity policy from the same carrier. Otherwise, it is an *external exchange*.

Caveat EbixExchange supports NettingAllowedInd as of Dec 2009. Netting is only available if the Distributor nets and if at least one NettingAllowedInd is True and none are False.

If the Distributor has netting set to Yes, and the PPfA has it set to No, then No netting is allowed.

If the Distributor has netting set to No, and the PPfA has it set to Yes, then No netting is allowed

The following levels within the PPfA will be supported:

Producer.CarrierAppointment.DistributionAgreementInfo.NettingAllowedInd
At this level it indicates if commissions may be netted under this distribution agreement within the specific usage of this producer.

DistributionAgreement.PolicyProductInfo.NettingAllowedInd

At this level, it indicates if commissions may be netted under this *product* for this DistributionAgreement.

DistributionAgreement.CommRemittance.NettingAllowedInd – Indicates if the commission may be netted under this distribution agreement within the context of that specific commission event (i.e. Cash with App, Internal Exchange, External Exchange). This level is applicable when the support of netting differs between New Business and Subpays.

When CommEvent is set to tc=7 (Additional Premium), the NettingAllowedInd will control the netting for Subpays. When CommEvent is set to tc=3 (Cash with App), Internal Exchange (tc=4), External Exchange (tc=5), the NettingAllowedInd will control the netting for New Business.

IMPORTANT: When NettingAllowedInd is used at this level, the only CommEvent that supports netting are Cash with App for New Business and Additional Premium for Subpay.

Netting is not performed for Internal or External Exchanges, and therefore should always be False. The NettingAllowedInd will be ignored for these two CommEvents. Subpays can be replacements and therefore, netting doesn't apply.

Assuming the <NettingAllowedInd> is present on all three objects; if *any* of the applicable Netting elements indicate False (no) then netting is not allowed for that scenario. If an indicator is not used/present, no inference can be assumed (i.e. it is not assumed to be No or Yes, and therefore is not used).

The commissionable event is indicated with the CommEvent property. There are four commissionable events in the ACORD model involved in netting.

- **Cash with App (non-exchange) (tc = 3)** – This is used for all premium associated with the application with the exception of exchanges.

- **Internal Exchange (tc = 4)** – This is used for all premium where the carrier must transfer the premium from another insurance product at the same carrier.

- **External Exchange (tc = 5)** – This is used for all premium where the carrier must seek the premium from another financial institution.

- **Additional Premium (tc = 7)** – This is used for all subsequent premium transactions. The ACORD model currently does not have internal and external exchange versions of the Additional Premium commission event. EbixExchange will closely monitor the situation and determine if more CommEvent values are needed.

Note The DistributionAgreementID was used as the entity recognition for linking the DistributionAgreement and DistributionAgreementInfo. With the migration to 2.16, the entity recognition to the DistributionAgreement and DistributionAgreementInfo is the combination of CarrierCode and DistributionAgreementCode.

Caveat Each PolicyProductInfo object must point to a PolicyProduct object in the same file.

Caveat Even if the commission tables are sent to EbixExchange by spreadsheet rather than by using XtbML, the commission options available still need to be indicated via the CommOptionAvailable object.

D.22 Surrender Charge Schedule

This object is used to indicate the surrender charge schedule for the CDSC (Contingent Deferred Sales Charge) rider. The NAVA/ACORD Annuity Enhancement Working Group agreed that all products would be required to have such a rider. In the case where only the base surrender charge schedule is available, it would be modeled as the only option on a mandatory CDSC rider.

Caveat EbixExchange requires ten years of surrender charges in order to populate distributor disclosure forms. Even if the surrender charge period is shorter, please put in a zero surrender charge percentage for the remaining years.

- **Example** – The base surrender charge schedule is 7-6-5-4-3-2-1 and there is a reduced 4-3-2-1 surrender charge schedule available for a cost of 20 basis points per year.

```
<FeatureProduct id="SA_BSD1_FP13">
        <FeatureCode>CDS</FeatureCode>
        <Name>Surrender Charge Schedule</Name>
        <SelectionRule tc="3">Rider Mandatory/Default Value of  Rider Option Allowed</SelectionRule>
```

```xml
<MaxNumInstances>1</MaxNumInstances>
<FeatureMappingCode tc="86">Rider</FeatureMappingCode>
<RiderTypeCode tc="207"/>
<FeatureOptProduct id="SA_BSD1_FP13_FO1">
        <ProductCode>Base Surrender Charge</ProductCode>
        <Name>Base Surrender Charge Schedule - 7/6/5/4/3/2/1</Name>
        <DefaultInd tc="1"/>
        <RevokableInd tc="0"/>
        <SurrenderChargeSchedule>
                <ChargeBasedOn tc="1">Premium</ChargeBasedOn>
                <ChargePctSchedule>
                        <Duration>1</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>7</Percentage>
                </ChargePctSchedule>
                <ChargePctSchedule>
                        <Duration>2</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>6</Percentage>
                </ChargePctSchedule>
                <ChargePctSchedule>
                        <Duration>3</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>5</Percentage>
                </ChargePctSchedule>
                <ChargePctSchedule>
                        <Duration>4</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>4</Percentage>
                </ChargePctSchedule>
                <ChargePctSchedule>
                        <Duration>5</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>3</Percentage>
                </ChargePctSchedule>
                <ChargePctSchedule>
                        <Duration>6</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>2</Percentage>
                </ChargePctSchedule>
                <ChargePctSchedule>
                        <Duration>7</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>1</Percentage>
                </ChargePctSchedule>
                <ChargePctSchedule>
                        <Duration>8</Duration>
                        <DurQualifier tc="1">Annually</DurQualifier>
                        <Percentage>0</Percentage>
                </ChargePctSchedule>
                <SurrenderChargeType tc="1">Contract

Year</SurrenderChargeType>
        </SurrenderChargeSchedule>
```

```
                    </FeatureOptProduct>
                    <FeatureOptProduct id="SA_BSD1_FP13_FO2">
                            <ProductCode>L Share Schedule</ProductCode>
                            <Name>L-Share Schedule - 4/3/2/1</Name>
                            <DefaultInd tc="0"/>
                            <RevokableInd tc="0"/>
                            <CostBP>20</CostBP>
                            <SurrenderChargeSchedule>
                                    <ChargeBasedOn tc="1">Premium</ChargeBasedOn>
                                    <ChargePctSchedule>
                                            <Duration>1</Duration>
                                            <DurQualifier tc="1">Annually</DurQualifier>
                                            <Percentage>4</Percentage>
                                    </ChargePctSchedule>
                                    <ChargePctSchedule>
                                            <Duration>2</Duration>
                                            <DurQualifier tc="1">Annually</DurQualifier>
                                            <Percentage>3</Percentage>
                                    </ChargePctSchedule>
                                    <ChargePctSchedule>
                                            <Duration>3</Duration>
                                            <DurQualifier tc="1">Annually</DurQualifier>
                                            <Percentage>2</Percentage>
                                    </ChargePctSchedule>
                                    <ChargePctSchedule>
                                            <Duration>4</Duration>
                                            <DurQualifier tc="1">Annually</DurQualifier>
                                            <Percentage>1</Percentage>
                                    </ChargePctSchedule>
                                    <ChargePctSchedule>
                                            <Duration>5</Duration>
                                            <DurQualifier tc="1">Annually</DurQualifier>
                                            <Percentage>0</Percentage>
                                    </ChargePctSchedule>
                                    <SurrenderChargeType tc="1">Contract Year</SurrenderChargeType>
                            </SurrenderChargeSchedule>
                    </FeatureOptProduct>
            </FeatureProduct>
```

D.23 TXLife Wrapper

The following are required elements and attributes for the TXLife wrapper. Please do not include the schemaLocation attribute in the TXLife element since it will refer to a schema location in your directory structure – not EbixExchange's.

```
<TXLife @version="2.16.01" xmlns="http://ACORD.org/Standards/Life/2"

xmlns:xsi=http://www.w3.org/2001/XMLSchema-instance Version="2.16.01">

    <TXLifeRequest>
```

```
        <TransRefGUID> put a GUID here </TransRefGUID>

        <TransType tc ="1201">PPfA Transmittal</TransType>

    </TXLifeRequest >

    <OlifE> all the important stuff </OlifE>

    <XtbML> the commission tables </XtbML>

</TXLife>
```

D.24 Breakpoint

This object indicates whether Letters of Intent and Rights of Accumulation (LOI/ROA) apply for A-Share products. The supported elements include:

        LOIROAType tc=1 (Letter of Intent), tc=2 (Rights of Accumulation), tc=3 (Both LOI and ROA)
        RangeLowAmt, RangeHighAmt, RangeRateBP, and RangeRateType.

```
PolicyProduct id="Policy_Product_1">
            <Breakpoint id="Breakpoint_1">
                <LOIROAType tc="3">Both Letter of Intent and Rights of Accumulation</LOIROAType>
                <RangeLowAmt>1.00</RangeLowAmt>
                <RangeHighAmt>50000.00</RangeHighAmt>
                <RangeRateBP>7</RangeRateBP>
                <RangeRateType tc="2">Sales Charge</RangeRateType>
            </Breakpoint>
            <Breakpoint id="Breakpoint_2">
                <LOIROAType tc="3">Both Letter of Intent and Rights of Accumulation</LOIROAType>
                <RangeLowAmt>51000.00</RangeLowAmt>
                <RangeHighAmt>100000.00</RangeHighAmt>
                <RangeRateBP>5</RangeRateBP>
                <RangeRateType tc="2">Sales Charge</RangeRateType>
            </Breakpoint>
                    </PolicyProduct>
```

Note   With the May 2008 Release, PolicyProduct.ShareClass will be used to create a Named Item which will be used to generate A-Share specific forms and will only be available for a specific Distributor. General availability is planned for 2008.

    A Named Item BREAKPOINT_CHARGE will generate and the value will be the calculated sales charge based on the break point premium range and the RangeRateBP.

D.25 Minimum /Maximum Limits for Funds

EbixExchange supports the ability to apply limitations on the amount of initial premium that can be allocated to specific funds for New Applications. The Total Premium (this includes transfers, checks and other types) is used when applying the vetting rule to ensure that the amount of premium allocated to each fund is not greater than the percent or dollar amount specified.

For new business transactions, Self Direct Allocations (from the Initial Premium Option), Systematic Investments and Systematic Withdrawals – the limits will be applied to the selected funds.

For Asset Allocation, not Complex Asset Allocation, the limits will be applied to the selected funds.

For Complex Asset Allocation, the Model that is modeled under the DestInvestProduct of the Complex Asset Allocation option in the Initial Premium feature should not contain min/max amt and pct values. The min/max rules only apply to the actual funds which are modeled under the Complex Asset Allocation option of the Asset Allocation feature. Ebix currently supports MinDepositPct and MaxDepositPct off InvestProductInfo for limiting deposit percentages for categories and funds. Ebix will continue to support these properties for funds associated with a complex asset allocation.

For Special DCA and Traditional DCA, the limits can apply to the selected source or target fund.

Asset Rebalancing and Interest Sweep will be ignored since the value of the funds at the time of rebalancing cannot be known at the time the transaction is submitted.

Subpay – Standing Allocations will be ignored since the amount contributed to the fund at the time the additional premium is sent cannot be known at the time the transaction is submitted.

There may be an instance where the carrier enforces a restriction on the amount that can be allocated from a **source fund** in a DCA program. For example, the initial deposit is $10,000 and 50% is allocated into Bluesky Fixed Fund ($5000). Bluesky Fixed Fund is the source fund for the DCA program. The carrier restricts the amount that can be allocated from the Bluesky Fixed Fund, where it cannot exceed 10% of the original amount. If the rep attempts to reallocate $1000 from the Bluesky Fixed Fund and allocates it into Funds A, B, and C via DCA on a monthly basis, a vetting error should generate because $1000 is 20% of the initial $5000 and 10% is the MaxPct allowed.

In this case, the Initial Premium feature option's DestInvestProduct for the Self Directed option would not contain any restrictions for the Bluesky Fixed Fund. The DCA feature option's source fund would have a MaxPct of 10% off the SourceInvestProduct

Modeling for Minimum and Maximum limits for Funds:

- MaxPct: When placed on DestInvestProduct or SourceInvestProduct, this is the maximum percent of the transaction in order to select the fund as a target fund.
- MinPct: When placed on DestInvestProduct or SourceInvestProduct, this is the minimum percent of the transaction in order to select the fund as a target fund.
- MaxAmt: When placed on DestInvestProduct or SourceInvestProduct, this is the maximum amount of the transaction in order to select the fund as a target fund.
- MinAmt: When placed on DestInvestProduct or SourceInvestProduct, this is the minimum amount of the transaction in order to select the fund as a target fund.

Note

In the case where both the maximum amount and maximum percent have been provided on the PPfA, the more restrictive rule will apply. For example, in the case where a fund has a 40% or $25,000 maximum limit, if the total premium equals $100,000, and the premium allocation for Fund A is 30%, the transaction would be edited because $30,000 would be allocated and this exceeds the MaxAmt.

In the case where both minimum amount and percent have been provided on the PPfA, the more restrictive rule will apply. For example, in the case where a fund has a 25%

MinPct or a $50,000 MinAmt, the total premium is $100,000 and the premium allocation is 40%, this would be edited due to the $50,000 limit.

> **Note**
>
> In the case where limits are modeled as amounts (MinAmt or MaxAmt) and allocations are entered as percentages, the platform will have to perform a calculation to ensure that the allocation percentage from the initial premium amounts meet the required limitations. For example: A DCA option requires a minimum allocation of $50 to each fund(s) selected. The allocation is entered as a percentage, if the Deposit Amount is $2000, 2% is allocated to American Growth, and the calculated allocation amount is $40.

D.26 Rider Allocation Rule Modeling Principles

- Rider Allocation Rules apply to both new business only.
- Rider Allocation Rules only applies to Riders, and can only be referenced from a Rider FeatureOptProduct. RAR does not apply to arrangements.
- RAR does apply to any arrangement that involves allocation money to destination funds; like Auto Bank Pay, DCA, Initial Premium, Sub Pay, Fund Transfer, etc.

> **Note**
>
> DCA and Interest Sweeps were defined as out of scope with the implementation of this Enhancement.

- The RequsiteInvestProduct is used for riders that impose certain restrictions - InvestproductTypeCode (tc=29).
- Allocation Rules is used to apply further restrictions and follows the three tier 'model' category structure, using InvestProducts and InvestProductInfo. All RAR's shall be modeled as three tiers. If there are no categories, just use a single 100% category. Rider Allocation Rules uses the same patterns as we use for CAA, there will always be 3 tiers, a Model, Category(s), Fund(s).
- Only *one* (1) Rider Allocation Rule (RAR) per order will be in effect. Carriers will be responsible to model FeatureConflict to ensure only one RAR will ever be in effect. There will never be a need to have multiple rules in effect at the same time. Within an order (NBfA / APP) there can only be one rider selected that invokes an RAR.
- If an arrangement (SW, AutoPay, DCA, etc.) containing fund allocation rules is selected in combination with a rider invoking an RAR, then rules are cumulative and each must be complied with. For example, the arrangement has a MinPct of 10% and the RAR has a MinDepositPercent of 5%, the more restrictive rule (10%) will apply. Also, if the arrangement's DestInvestProduct has a MaxPct of 40% and the RAR InvestProductInfo MaxDepositPct has a max of 60%, 40% becomes the rule. The carriers have to construct the ranges so 100% can be allocated.
- Rider Allocation Rules will always be equal to or a subset of the funds on the IP feature. The rider cannot introduce new funds that were not referenced in the IP feature.
- The RAR funds are explicit; meaning only the funds defined may be selected from this list. If they are not listed in a Rider Allocation Rule then they are not available for selection.
- When the IP feature allows investments only into the SDCA fixed fund, and then a rider with a RAR applies, the fixed fund (source fund) on the SDCA feature does not become part of the RAR rule. The RAR only applies to the DestInvestProduct of the SDCA funds. Any Source Fund is an exception to the RAR.
- When IP feature allows investments into a combination of self-directed and SDCA Fixed Funds, there is no change to the elected/entered amounts – the Rider Allocation Rule percentages must be scaled to the percentage invested in the RAR.
- The RAR concept can be used when modeling a logical 'or' condition.
- MinDepositPercent and MaxDepositPercent on InvestProduct.InvestProductInfo provides the ability to control allocation percentages into a model, category or fund.

- RAR are mutually exclusive with Complex Asset Allocation. The two features cannot appear on the same application.
- RAR must use a subset (or all) of the sub accounts defined to the Initial Premium arrangement.

Note

Validation is performed on an edited transaction to ensure the funds allocated into this model still exist and the sum of the allocations equals 100%. Validation messages are:

For [Fund Name] the subtotal must be greater than or equal to [MinDepositPct]

[Fund Name] total [total of the percentages allocated on this page] must equal 100

USE CASES

Standard Use of RequisiteInvestProduct – When Rider "X" is selected FUND1, 2, and 3 are required (All are required).

- The IP option contains the list of funds for allocation.
- Rider X contains RequisiteInvestProduct listing FUND1, 2 and 3.
- FUND1, 2 and 3 are a subset of the list of funds in the initial premium's DestInvestProduct.
- When Rider X is selected, Fund 1, 2, and 3 must be selected - no other funds are available for selection, regardless of what is modeled in the Initial Premium DestInvestProduct.

```
<InvestProduct >
        <InvestProductTypeCode tc="15">Variable Annuity</InvestProductTypeCode>
        <ProductCode>FUND1/ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
</InvestProduct>
<InvestProduct >
        <InvestProductTypeCode tc="15">Variable Annuity</InvestProductTypeCode>
        <ProductCode>FUND2/ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
</InvestProduct>

<InvestProduct >
        <InvestProductTypeCode tc="15">Variable Annuity</InvestProductTypeCode>
        <ProductCode>FUND3/ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
</InvestProduct>
```

Rider X containing the RequisiteInvestProduct pointing to the funds

```
<FeatureProduct >
        <FeatureCode>X</FeatureCode>
        <Name>Rider X</Name>
        <FeatureMappingCode tc="86">Rider</FeatureMappingCode>
        <RiderTypeCode tc="204"/>
        <FeatureOptProduct >
                <ProductCode>PLUS</ProductCode>
                <Name>PLUS</Name>
                <RiderSubTypeCode tc="8">Standard GMIB</RiderSubTypeCode>
                <RequisiteInvestProduct>
                        <CarrierCode>BLUE_SKY</CarrierCode>
                        <ProductCode>FUND1</ProductCode>
                </RequisiteInvestProduct>
                <RequisiteInvestProduct>
                        <CarrierCode>BLUE_SKY</CarrierCode>
                        <ProductCode>FUND2</ProductCode>
                </RequisiteInvestProduct>
```

```
<RequisiteInvestProduct>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>FUND3</ProductCode>
</RequisiteInvestProduct>
</FeatureOptProduct>
</FeatureProduct>
```

RequisiteInvestProduct – Scenario A – Rider "X" only select from funds 1, 2 or 3 (any one, two or all three funds may be selected)

- Requires use Requisite Allocation Rule - InvestProductTypeCode =29
- Requires a single model and a single category
- MinDepositPct = 0, MaxDepositPct = 100 modeled on the category
- Rider X contains RequisiteInvestProduct pointing to the model

1 Model with 1 Category, Category contains deposit percent restrictions:

```
<InvestProduct id="InvestProduct_38">
        <InvestProductTypeCode tc="29">Allocation Rule</InvestProductTypeCode>
        <ProductCode>MOD1R</ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <AssetClass tc="8">Model</AssetClass>
<InvestProductInfo id="IPI23888IP24121">
        <CarrierCode>BLUE_SKY</CarrierCode>
        <FullName>Category 1</FullName>
        <ProductCode>CAT1R</ProductCode>
        <MinDepositPct>0</MinDepositPct>
        <MaxDepositPct>100</MaxDepositPct>
</InvestProductInfo>
```

Category contains a set of three Funds:

```
<InvestProduct >
        <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
        <ProductCode>CAT1R</ProductCode>
        <FullName>Category 1</FullName>
        <ShortName>Category 1</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <RateType tc="2">Variable</RateType>
        <InvestProductInfo id="IPI23888IP24144">
                <CarrierCode>BLUE_SKY</CarrierCode>
                <FullName>Fund 1</FullName>
                <ProductCode>108</ProductCode>
        </InvestProductInfo>
        <InvestProductInfo id="IPI23888IP24155">
                <CarrierCode>BLUE_SKY</CarrierCode>
```

```
            <FullName>Fund 2</FullName>
            <ProductCode>114</ProductCode>
        </InvestProductInfo>
        <InvestProductInfo id="IPI23888IP24166">
            <CarrierCode>BLUE_SKY</CarrierCode>
            <FullName>Fund 3</FullName>
            <ProductCode>132</ProductCode>
        </InvestProductInfo>
</InvestProduct>
```

Rider X containing the RequisiteInvestProduct pointing to the model

```
<FeatureProduct>
        <FeatureCode>X</FeatureCode>
        <Name>Rider X</Name>
        <FeatureMappingCode tc="86">Rider</FeatureMappingCode>
        <RiderTypeCode tc="204"/>
        <FeatureOptProduct id="SA_BSD1_FP8_FO1">
            <ProductCode>GMIB</ProductCode>
            <Name>BASE</Name>
            <RiderSubTypeCode tc="8">Standard GMIB</RiderSubTypeCode>
            <RequisiteInvestProduct>
                <CarrierCode>BLUE_SKY</CarrierCode>
                <ProductCode>MOD1R</ProductCode>
            </RequisiteInvestProduct>
        </FeatureOptProduct>
</FeatureProduct>
```

Scenario B – If Rider "X" is selected, only pick at least one of the FUND1, 2, 3 plus any others from the list of the IP's DestInvestProducts.

- This is similar to Option B, except two categories are required.
- The IP option contains the list of funds for allocation.
- Rider "X" RequisiteInvestProduct is a subset of funds for allocation.
- Requires use Rider Allocation Rule - InvestProductTypeCode =29
- Requires a single model and two categories
- To force the selection of funds 1, 2 or 3 – model the first category with MinDepositPct = 1 MaxDepositPct = 100
- To allow the selection of any other funds, create a second category – model the category with MinDepositPct = 0 and MaxDepositPct = 100.
- Rider X contains RequisiteInvestProduct pointing to the model and also includes the additional funds available

1 Model with 2 Categories, Category contains deposit percent restrictions:

```
<InvestProduct id>
        <InvestProductTypeCode tc="29">Allocation Rule</InvestProductTypeCode>
        <ProductCode>MOD1R</ProductCode>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <AssetClass tc="8">Model</AssetClass>
<InvestProductInfo>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <FullName>Category 1</FullName>
        <ProductCode>CAT1R</ProductCode>
        <MinDepositPct>1</MinDepositPct>
        <MaxDepositPct>100</MaxDepositPct>
</InvestProductInfo>
<InvestProductInfo>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <FullName>Category 1</FullName>
        <ProductCode>CAT2R</ProductCode>
        <MinDepositPct>0</MinDepositPct>
        <MaxDepositPct>100</MaxDepositPct>
</InvestProductInfo>
```

Category 1 contains a set of three Funds:

```
<InvestProduct id="InvestProduct_41">
        <InvestProductTypeCode tc="24">Category</InvestProductTypeCode>
        <ProductCode>CAT1R</ProductCode>
        <FullName>Category 1</FullName>
        <ShortName>Category 1</ShortName>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <RateType tc="2">Variable</RateType>
        <InvestProductInfo id="IPI23888IP24144">
                <CarrierCode>BLUE_SKY</CarrierCode>
                <FullName>Fund 1</FullName>
                <ProductCode>108</ProductCode>
        </InvestProductInfo>
        <InvestProductInfo id="IPI23888IP24155">
                <CarrierCode>BLUE_SKY</CarrierCode>
                <FullName>Fund 2</FullName>
                <ProductCode>114</ProductCode>
        </InvestProductInfo>
        <InvestProductInfo id="IPI23888IP24166">
                <CarrierCode>BLUE_SKY</CarrierCode>
                <FullName>Fund 3</FullName>
                <ProductCode>132</ProductCode>
        </InvestProductInfo>
</InvestProduct>
```

Category 2 will contains the remaining funds. Since the category contains a MinDepositPct of 0, the funds are optional.

```
<FeatureProduct>
        <FeatureCode>X</FeatureCode>
        <Name>Rider X</Name>
        <FeatureMappingCode tc="86">Rider</FeatureMappingCode>
        <RiderTypeCode tc="204"/>
        <FeatureOptProduct id="SA_BSD1_FP8_FO1">
                <ProductCode>GMIB</ProductCode>
                <Name>BASE</Name>
                <RiderSubTypeCode tc="8">Standard GMIB</RiderSubTypeCode>
                <RequisiteInvestProduct>
                        <CarrierCode>BLUE_SKY</CarrierCode>
                        <ProductCode>MOD1R</ProductCode>
                </RequisiteInvestProduct>
        </FeatureOptProduct>
</FeatureProduct>
```

Scenario B-2 – If Rider "X" is selected, pick at least one of the FUND1, 2, 3 and FUND4 and FUND5 are required.

- This is a combination of the Standard usage of RequisiteInvestProduct and Use Case A.
- The IP option contains the list of funds for allocation.
- Rider "X" RequisiteInvestProduct is a subset of funds for allocation.
- Requires use Rider Allocation Rule - InvestProductTypeCode =29 for Funds 1, 2, and 3.
- Requires a single model and a single categories
- To force the selection of funds 1, 2 or 3 – model the category with MinDepositPct = 1 MaxDepositPct = 98.
- To enforce the selection of FUND4 and FUND5, funds, include these two in the RequisiteInvestProduct.
- Rider X contains RequisiteInvestProduct pointing to the model and it also includes the two required funds FUND4 and FUND5.

```
<FeatureProduct >
        <FeatureCode>X</FeatureCode>
        <Name>Rider X</Name>
        <FeatureMappingCode tc="86">Rider</FeatureMappingCode>
        <RiderTypeCode tc="204"/>
        <FeatureOptProduct >
                <ProductCode>GMIB</ProductCode>
                <Name>BASE</Name>
                <RiderSubTypeCode tc="8">Standard GMIB</RiderSubTypeCode>
                <RequisiteInvestProduct>
                        <CarrierCode>BLUE_SKY</CarrierCode>
                        <ProductCode>MOD1R</ProductCode>
                </RequisiteInvestProduct>
                <RequisiteInvestProduct>
                        <CarrierCode>BLUE_SKY</CarrierCode>
                        <ProductCode>FUND4</ProductCode>
                </RequisiteInvestProduct>
                <RequisiteInvestProduct>
                        <CarrierCode>BLUE_SKY</CarrierCode>
                        <ProductCode>FUND5</ProductCode>
                </RequisiteInvestProduct>
        </FeatureOptProduct>
</FeatureProduct>
```

D.27 E-Delivery

The DeliveryInfo object will be supported as an extension off of PolicyProduct .

DeliveryInfo.DeliveryDestination.DeliveryDestinationType tc=3 (Email) will be used to trigger the display of the question – provided the Distributor did not turn this OFF and the Email is turned ON.

Specific code is necessary on ANW to control the following:

- For Natural Owners – (AccountDesignation - Owner tc=3) the question will always display on the Owner screen.
    - When the Natural Owner differs from the Annuitant, the question will only be presented on the Owner screen.
- For Custodial Ownership (Account Designation – Custodial tc=5), the question should be presented on the Primary Annuitant screen, not the Entity Owner screen.
- For Trust ownership (Account Designation – Trust tc=7), the question should be presented on the Trustee screens – *Since each trustee may have access to the policy and policy related documents, and each trustee role is unique with their own email address, it's preferred to present the question and response for each trustee, NOT just the first trustee.*
- For Corporate Owner (Account Designation – Owner tc=3 and Owner Type = Corporation (OrgForm = 23 Corporation, PartyTypeCode = 2 Organization) the

question should be presented on the Primary Annuitant screen, NOT the Entity Owner screen.

- For Joint (AccountDesignation – Joint tc=8), the question will always display on both the Owner and Joint Owner screen. (*Only present question on the Owner and first Joint Owner screen*)
- For UGMA/UTMA (AccountDesignation UGMA/UTMA tc=6), the question will only be presented on the Owner screen.
- When the Joint Annuitant screen is present, present the question on the Joint Annuitant screens.

ANW 2.16 Modeling

```
<PolicyProduct>
.
.
.
    <OLifEExtension VendorCode="205">
            <DeliveryInfo>
                    <DeliveryDestination>
                            <DocumentDestinationType
tc="3">Email</DocumentDestinationType>
                    </DeliveryDestination>
            </DeliveryInfo>
    </OLifEExtension>
</PolicyProduct>
```

Appendix E   List of Acronyms

AA – Asset Allocation

ABA – American Bankers Association

ACH - Automated Clearing House

ACORD - Association for Cooperative Operations Research and Development

ANNUITYNET – AnnuityNet Platform

ANP - AnnuityNet Platform

ANW - AnnuityNet Works (Obsolete term)

API - Application Programming Interface

ASP - Application Service Provider (EbixExchange use SaaS - See Below)

BGA - Brokerage General Agency

BWG - Baseline Wizard Guide

B/D - Broker/Dealer

BPS - Bits per second (One byte is eight bits in length)

CFAC - Carrier Fields a la Carte

CUSIP - Committee Uniform Security Identification Procedures

DASD - Direct Access Storage Device

DB – Death Benefits

DCA – Dollar Cost Averaging

DFAC - Distributor Fields a la Carte

DNS - Domain Name system

DTCC – Depository Trust Clearing Corporation

EDI - Electronic Data Exchange

FAC - Fields a la Carte

FTP - File Transfer Protocol

GSW - Generic Sales Wire

IGO - In Good Order

IMO - Independent Marketing Organization

IP - Internet Protocol

IRA – Individual Retirement Account or Individual Retirement Annuity

IRC – Internal Revenue Code

JAD - Joint Application Development

L & A - License and Appointment check

MEC – Modified Endowment Contract

MGA - Managing General Agent

MIPS - Million instructions per second

MPP - Massively Parallel Processing

N/A – Not Applicable

NAIC - National Association of Insurance Commissioners

NAVA/ACORD – National Association of Variable Annuities/Association for Co-ordination Operations Research and Development

NBfA - New Business for Annuities

NID - Non-integrated Distributor

NIGO - Not in Good Order

NSCC - National Securities Clearing Corporation

OEM - Original Equipment Manufactures

OLAP - Online Analytical Processing

OSJ - Office of Supervisory Jurisdiction

PDF - Portable Document Format

PGP - Pretty Good Privacy (a Data Encryption Package)

PM - Project Manager

POS - Positions (policy values)

PPfA – Product Profile for Annuities

PPGA - Personal Producing General Agent

ProdSIM - Production Simulation Environment

PTA - Pass-through Authentication

QRE - Quick Reaction Engineering

RDBMS - Relational Database Management System

SDCA – Special Dollar Cost Averaging

SEP – Simple Employee Pension Plan

sFTP - secure FTP

SQL - Sequential Query Language

SRS - Software Requirements Specifications

TBD – To Be Determined

UGMA - Unified Gift to Minors Act

URL - Uniform Resource Location

UTMA - Uniform Transfers to Minors Act

VARDS - Variable Annuity Research Data Service

VGSS - VARDS Greenwald Strategy Service

WYSIWYG - (pronounced "wiz-zee-wig") What You See Is What You Get

XML – Extensible Mark-up Language

Appendix F   Glossary of Terms

1035 Exchange – a tax-free method of exchanging an existing non-qualified annuity or life insurance policy for a new non-qualified annuity; the exchange must meet the requirements of Section 1035 of the Internal Revenue Code for the transaction to be tax-free (like-for-like)

ACORD OARS – Online Adoption Report and Survey, system. OARS enables all ACORD members to report implementation activities on-line as well as view implementation information by company, transaction, or business message. This includes ACORD Certification information so you can see if your company as well as your trading partners, solution providers or competitors are certified and if so, in which standards version.

Automated Clearing House (ACH) – a mechanism of the Federal Reserve Board for the interbank electronic transfer of funds

Status of Business Page – an online summary screen for all the cases a user has the authorization to view. From here a variety of actions may be initiated by the user, such as a new application or subsequent payment, reviewing a pending application, printing a submitted application, or viewing an application that is under compliance review.

Annuitant – the person(s) on whose life the annuity payments will be based. The individual who owns the contract designates this person. Generally, the owner, not the annuitant, receives any income from the annuity. In most cases, the owner and the annuitant are the same person. Generally, in the payout stage, payments to the owner continue as long as the annuitant is alive.

Annuity – A contract that guarantees a fixed or variable payment over a given period of time.

 An annuity is a long-term financial contract in which an insurance company promises to make a series of payments to a named individual in exchange for a premium or a series of premiums. Annuities allow earnings to grow tax-deferred and, therefore, are often used to help provide retirement income. It is the only financial product that offers the opportunity to receive income that cannot be outlived.

 ● **Variable Annuity** – A variable annuity is a long-term investment. Its rate of return during accumulation is tied to market performance. Future income payments may be fixed or variable and based on the contract value at the time of annuitization.

 ● .**Fixed Annuity** – A fixed annuity is a long-term accumulation vehicle that guarantees you will receive no less than a minimum rate of interest for a specified period of time. Future income payments are also based on a fixed rate of return. Fixed annuity product types: book value; indexed; market value-adjusted (MVA); immediate. Book value fixed annuities pay a declared rate of interest for a specified period. A market value adjustment (MVA) is not imposed if the holder withdraws assets before the end of the contract term. MVA products also pay a declared rate of interest for a specified period, and do impose such an adjustment.

 ➢ **What is the difference between fixed and variable annuities?** – The most significant difference between a fixed annuity and a variable annuity is that fixed annuity contracts guarantee a fixed rate of return while a variable annuities' rate or return is directly tied to the performance of underlying market-based portfolios and may fluctuate. Plan managers administer the market-based portfolios, so fees reflect manager support, along with provision of special riders, exchange features, etc.

● **Immediate Annuity** – An immediate annuity is an income vehicle designed to provide payments within a year of paying premiums.

● **Deferred Annuity** – A deferred annuity has two phases. During the accumulation phase, the money you put into the annuity, less applicable charges, earns interest. Any earnings grow tax-deferred as long as you leave them in the annuity. During the second phase, called the payout period, the company pays income to you or to someone you choose.

AnnuityNet – an automated multi-carrier order-entry platform, designed primarily for broker-dealers and financial institutions who do not require any custom integration points

AnnuityNet Platform – Refers EbixExchange's commercially-available technology platform for annuity order entry and post-sale transactions; full transaction, compliance, and account inquiry support for all annuities, including variable, fixed, immediate, and equity-indexed.

AnnuityNet Transaction – A file that carries transaction XML (how AnnuityNet sends transaction data to carriers)

Application Wizard – the function of the AnnuityNet Platform that manages the rules and workflow processes of a new business application for an annuity product

AnnuityNet Works(sm) – An obsolete term, replaced by the AnnuityNet Platform

Attachments – Defined as a critical-path component of the NAVA STP initiative, this new DTCC service will provide a stand-alone process for participating members to electronically communicate ACORD XML messages containing imaged documentation, electronic signatures or electronic forms that can be linked to new business applications as well as other insurance transactions.

Asset Allocation – the division of an investment among different asset classes according to a model

Automatic Rebalancing – a program to setup automatic rebalancing for execution on a set frequency

Baseline Wizard – Refers to EbixExchange's standard wizard without any fields a la carte.

Beneficiaries – the person(s) or entity the contract owner names to receive the death benefit, if any, upon the death of the contract owner or annuitant, depending on the contract role upon which the contract is based

Carrier-settled - Refers to a money payment method under which the money settles directly with the carrier, and the form of money is payable to – and reconciled by – the carrier.

Clearing Firm – An organization which works with the exchanges to handle confirmation, delivery and settlement of transactions. Such corporations play a key role in ensuring that executed trades are settled within a specified period of time and in an efficient manner. also called clearing corporation or clearing house.

● **Prominent/large firms:** Pershing, National Financial Services, , First Clearing Corporation

● **"Next Tier" clearing firms:** Bear Stearns, Ridge Clearing, ADP, US Clearing, Southwest Securities, Penson Financial

CMMI – Ebix has been awarded Level 5 status of the Carnegie Mellon Software Engineering Institute's Capability Maturity Model Integration (CMMI). ://www.sei.cmu.edu/cmmi/general/index.

EbixExchange Style Note: In marketing representations, the "i" is to be lower case

Comdex – Comdex comes from "Composite Index" and refers to the rating feature provided in VitalSales Suite. Not to be confused with the old computer show that used to be hosted in Las Vegas. More information is available at: ://www.vitalsalessuite.com/vs/help/dataandrating/Comdex.

Compliance Reviewer – Refers to the user class responsible for creating suitability questionnaires, and for reviewing application data and questionnaires for users who are assigned to him/her. The Compliance Reviewer does not have access to reports, and cannot submit an application or sub-pay.

Consignee – The destination that a shipment is being delivered to.

CUSIP – Short for the American Bankers Association's Committee on Uniform Security Identification Procedures; uniquely identifies financial instruments.

Death Benefit – if the contract owner dies during the accumulation period or during the period certain of the payout stage, then the beneficiary will generally receive the current value of the account. In some cases, the death benefit is the amount invested in the annuity, if that amount is greater than the current value of the account.

Direct Rollover – this denotes moving all or a portion of a tax-deferred retirement savings plan into another plan.

Distributor-settled – Refers to a money payment method under which the money travels from the customer to the distributor, and the form of money is generally made payable to the distributor (who then wires the money to the carrier). The distributor is responsible for reconciliation of money.

Dollar Cost Averaging – an optional service program that allows an owner to invest equal amounts of money at regular intervals in the market to level returns

EbixExchange – Name of the Ebix division created by the November 2007 merger of Ebix divisions EbixLife and Finetre.

Exchange – (1) Any organization, association or group which provides or maintains a marketplace where securities, options, futures, or commodities can be traded; or the marketplace itself. e.g., NYSE, AMEX, NASDAQ, Chicago Board Options Exchange, Chicago Mercantile Exchange, Autex, Bolsa, Bourse, Commodities Exchange Center, New York Futures Exchange

(2) Exchanges are markets where sales of securities and commodities are transacted. Most stock exchanges are auction markets where stocks are traded through competitive bidding in a central location. The oldest stock exchanges in the United States are the New York Stock Exchange (NYSE) and the American Stock Exchange (AMEX). There are also seven regional exchanges and others that specialize in commodities and derivatives. The Chicago Mercantile Exchange and the Chicago Board of Trade, for example, are markets where both futures and options on financial and agricultural products are traded.

Stocks are also traded in dealer markets. Most transactions in a dealer market are between principals acting as dealers for their own accounts rather than between brokers acting as agents for buyers and sellers. One example is the NASDAQ, the first electronic stock market, introduced in 1971 by NASD, an industry self-regulatory organization originally known as the National Association of Securities Dealers. NASDAQ was spun off in a series of transactions in 2000 and 2001. NASDAQ's dealer markets have come to more closely resemble auction markets. As with auction markets, companies must meet size and earnings requirements to trade on NASDAQ.

Over-the-counter (OTC) stocks are another segment of the securities market. Securities transactions are conducted through a telephone and computer network connecting dealers, rather than on the floor of an exchange. OTC stocks are traditionally those of smaller companies that do not meet the listing requirements of NYSE, AMEX or NASDAQ. OTC trading rules are written and enforced by NASD. The OTC Bulletin Board electronically posts bid-and-ask quotations of around 6,500 OTC stocks.

Finetre Corporation – Name of corporation acquired by Ebix, Inc. in October 2006. Finetre was originally begun in 1997 as AnnuityNet, Inc.

Firm Administrator – Refers to the user class responsible for setting up other users. The Firm Administrator can view reports, but cannot submit an application or subpay.

Forms XML – the XML code that is used to control what forms are used under what conditions (e.g., type of transaction, product, state and specific application data will determine what forms are needed in each instance)

Foundry – this is the tool set used to manage carrier and distributor data and provides carriers with the ability to load PPfA, Forms XML, and tagged PDFs in a test or production environment.

FTP – Short for file transfer protocol, which enables a person to transfer files between two computers, generally connected via the Internet

Fund Transfers – Fund Transfers, which enables the automated processing of a fund reallocation within a variable insurance product.

Indirect Rollover – this includes moving all or a portion of a tax-qualified retirement plan into another plan of the same or different IRS type. This movement of funds is through the client's non-qualified account and where the client is considered as having constructive receipt.

Initial Allocation – this is the initial investment allocation of funds. This includes self-directed and special dollar cost averaging and asset allocation.

Introducing Broker/Dealers – An industry term that relates to B/D's that use clearing firms.

Joint Owner – typically, but not always husband and wife – the surviving joint owner will receive the ownership benefits of the annuity after the first owner dies.

L&A Check – the licensing and appointment check may be performed at two stages during the application process. First, it is done when a user has selected the state and product they wish to use for taking an application. Under this L&A check, if the user is not licensed and appointed, they are not allowed to proceed any further. The second check is done when the application is submitted. This addresses the possibility of something changing from an L&A standpoint for this particular user between the time the application was started and when it was submitted (which can be up to several weeks). These checks may be done against either the distributor or carrier databases. Currently EbixExchange implementations use distributor databases.

Life Insurance Agencies:

● **MGA: Managing General Agent** – Similar to IMO and at times the same thing. They usually represent multiple carriers with whom they've arranged exclusive relationships. An MGA is usually a large insurance agency that provides product access, training, licensing, marketing, seminars, commissions to smaller selling organizations and individual agents.

Note — Managing general agents, who are given authority by insurers to underwrite and "bind" insurance, provide temporary coverage until an insurance policy can be issued. Managing general agents, who have a close relationship with the insurance companies they work with, may also handle claims and even help in the placement of reinsurance contracts (reinsurance is insurance for insurance companies). Managing general agents may also arrange so-called "program" business, which is specialty insurance for homogeneous groups of policyholders, such as members of a specific industry.

● **IMO: Independent Marketing Organization** – Similar to MGA and at times the same thing – except the firm is independent; i.e., they can market a number of products from different carriers. IMO's are often created by independent producers who have bonded together.

● **BGA: Brokerage General Agency** – A BGA usually does everything the IMO or MGA does, but they also provide the salesman or agent to sell the policy and they concentrate mainly on life insurance.

LifeLink – Name of corporation acquired by Ebix, Inc. in February 2004. LifeLink was originally begun in 1980 as United Systems. After the acquisition by Ebix, LifeLink was renamed to EbixLife.

LifeSpeed – Refers EbixExchange's commercially-available technology platform for intuitive application wizard that guides the agent through the entire sales process – from importing illustration data directly into the application wizard to completing both Parts A and B of an entire life application.

Life Settlement – A life settlement is the sale to a third party of an existing life insurance policy for more than its cash surrender value but less than its net death benefit. ://www.lisassociation.org/

Metadata – Data about data. In data processing, metadata is definitional data that provides information about—or documentation of—other data managed within an application or environment. PPfA schema is an example of metadata.

Money Settlement – for distributor implementations that will settle outside of the NSCC, the AnnuityNet Platform provides reporting functionality to the distributor to support money settlement on a daily basis with each carrier. For distributor implementations that settle via NSCC, the AnnuityNet Platform provides the appropriate NSCC settlement amounts in the APP/SUB feed.

Named Items – Named items ("NI's") are used to populate and generate forms. The many variations of NI's are generated by the wizard based on the data input in each field. An example NI that would be generated for the primary owner name is PRIMARY_OWNER_FULL_NAME. This NI is associated with the data input. For example, PRIMARY_OWNER_FULL_NAME = Henry Bosworth.

Another example is, PRIMARY_OWNER_SSN_FORMATTED = 123-45-6789 PRIMARY_OWNER_SSN = 123456789

If a firm needs the owner's name to print on a form, they may use Adobe to input a text field such as = PRIMARY_OWNER_FULL_NAME. When the form prints, it will search the list of generated named items and grab the associated value (Henry Bosworth).

NAVA – Short for National Association for Variable Annuities. While retaining the NAVA acronym, in 2007 the organization renamed itself to the Association for Insured Retirement Solutions as part of its attempts to better represent the validity of the variable annuity product in a market beset by sensationalist media focused on exposing poor practices in variable annuity sales.

NID – Short for a non-integrated distributor, a distributor with standard AnnuityNet platform (no integration points)

Non-integrated distributors – Refers to a distributor who is using the standard AnnuityNet Platform without any integration points.

Non Natural Entity Owner – this is normally a corporate or entity owner.

NSCC – National Securities Clearing Corporation – A wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC), is a central counterparty that provides centralized clearance, settlement and information services for virtually all broker-to-broker equity, corporate bond and municipal bond, exchange-traded funds and unit investment trust (UIT) trades in the U.S.

NSCC is also the main provider of centralized information services and money settlement for mutual funds and insurance and annuity transactions, linking funds and insurance carriers with their broker/dealer, bank and financial planner distribution channels.

Partners – Refers to EbixExchange's clients; i.e., distributors, brokers, and carriers

Pass Through Authentication (PTA) – this is the process that allows a user to be authorized to begin a session on the system without having to log on specifically to the AnnuityNet Platform. Instead of logging in directly to AnnuityNet, the user authentication is done on the distributor side, and specific user session data is shared between platforms to ensure the user has the appropriate access and authorization for using the AnnuityNet Platform.

Pending – Refers to an application wizard that is in an "incomplete" status, and is awaiting completion and submission.

Principal Assurance Option – this is an option that guarantees a minimum return or return of principal over a 5- to 10-year term. This is modeled as a rider. Also know as *Secure Principal* or *Principal Protection.*

ProdSim – Refers to the production simulation environment; formerly called partner test environment

PPfA and Product XML – this is the XML standard that defines the product business rules (see "Vetting") and associated product data for implementation on the AnnuityNet Platform. The industry standard XML standard is PPfA, and EbixExchange's standard is referred to as Product XML.

Qualified Transfer – moving all or a portion of a tax-qualified retirement plan into another plan of the same IRS type. This movement of funds is trustee-to-trustee and the client does not have constructive receipt.

Replacements – This product will provide a centralized system for the automation and standardization of 1035 Exchange and Qualified Transfer processing of life and annuity contracts between insurance carriers.

Roundtable – Obsolete term referring to a user group gatherings conducted by Finetre.

SaaS – Software as a service (SaaS) is a software application delivery model where a software vendor develops a web-native software application and hosts and operates (either independently or through a third-party) the application for use by its customers over the Internet. Customers do not pay for owning the software itself but rather for using it. They use it through an API accessible over the Web and often written using Web Services or REST. The term SaaS has become the industry preferred term, generally replacing the earlier terms Application Service Provider (ASP) and On-Demand.

The reason for moving away from the term ASP or application service provider is that ASPs host applications with HTML front-ends added as an afterthought.

 This gradual shift in the terminology is also a direct reflection of the change in the business requirements demanded by clients. The focus in SaaS is more on what the customer wants rather than what the vendor could give.

Early SaaS approaches are application service providers (ASPs) who run a turnkey application on behalf of their clients. But ASPs generally do not build the application themselves; rather, they take an off-the-shelf application (such as a messaging platform, an enterprise resource planning tool, or a customer relationship management package) and run it for customers in a secure, uniform environment.[citation needed]

SaaS vendors typically use a multi-tenant architecture, meaning that multiple customers are running the same software, but with a virtually separate data. ASPs by comparison, deploy one application instance on a server for each customer. However, in recent times ASPs are moving towards using virtual environments for each user\customer which involves a separate instance of each application. It's reasonable to assume that multi-tenant architecture simplifies application management for the vendor. The multi-tenant model also simplifies the value for all customers since upgrades are instantaneously available across the entire platform.

Securities – new debt securities (bonds); equity securities (stocks)

Semiotics – Conveying ideas through the use of icons

Standing Allocation – this is a designated allocation for any future deposits or transfers into the contract

Submit – this is the processing of a new business application or subsequent payment through all of the final checks (including L&A, product availability, funds availability and suitability, if any are applicable) and then the electronic transmission to the carrier.

Sub-pay (or sub-payment) – Short for subsequent payment; refers to an additional contribution to an existing annuity contract.

Suitability Review – from a compliance standpoint, the AnnuityNet Platform offers functionality to capture and process distributor-level rules to ensure each transaction meets client-defined compliance guidelines. The platform allows distributors to define these guidelines, build questions (that can vary by transaction) and support the review process in general.

Systematic Investment Program – this is a program to setup an auto-investment program for future deposits into the contracts. The user will input parameters (frequency, start and end dates, and duration), source account details, and default allocations.

Systematic Withdrawal Program – this is a program to setup automatic withdrawals from the contract. Options include direct deposit and check by mail. The user will input parameters (frequency, start and end dates, and duration), source, and target account details.

Tagging – Using a PDF file to create a dynamically updated form; tags are areas that go out to grab data to update the form.

Tier 1 – this describes functionality that provides support for the capture and transmission of new business applications and subsequent payment remittances. The connectivity is largely one-way, with the fully vetted application and partially vetted sub-pay data being electronically transmitted to the carrier. This can happen directly to the carrier or through the DTCC.

Tier 2 (Account Inquiry) – this describes functionality that provides support for inquiries on in-force contracts. This is accomplished by extending the connectivity to include a feedback loop from the carrier to EbixExchange to provide daily position and financial activity data. This data can be transmitted directly from the carrier or through the DTCC.

Additional Tier Services

Post-Sale Transaction Processing (formerly Tier 3) – Refers to the level of service to which a carrier/distributor has subscribed; this service adds post-sale transaction functionality

Electronic Issue / Delivery of Contract Documents (formerly Tier 4) – Refers to the level of service to which a carrier/distributor has subscribed; this service provides the electronic assembly of PDF contract documents (set of documents to be defined) in the browser that can be printed along with other point of sale documents

Automated Post-Sale Client Communications (formerly Tier 5) – Refers to the level of service to which a carrier/distributor has subscribed; this service provides the electronic communications package that enables customer communications, such as confirmation statements and transaction statements, to be created electronically for electronic notification to the retail customer.

Transaction XML – this is the XML code that is executed by the Application Wizard to capture and store the new business application and subsequent payment data being entered for an annuity contract.

Transmitted – The status of the application wizard once it has been sent to the carrier via a feed.

User Hierarchy – this is the structure in which users are defined. It controls their authorization level and the scope of cases they can view.

VARDS – Short for Variable Annuity Research Data Service. VARDS was acquired by Finetre from Wachovia in July 2003. In January 2005 Finetre sold the VARDS unit to Morningstar.

Verify – this is the processing of checking a new business application or subsequent payment through all of the final checks (including L&A, product availability, funds availability and suitability, if any are applicable) and reporting any errors or warnings.

Vetting – this describes error checking and correction. On the AnnuityNet Platform, vetting involves the application of product business rules that control required data elements such as issues ages, transaction amounts, service program restrictions, and available commission options.

VitalSales Suite – Refers EbixExchange's commercially-available hosted suite of agent sales tools that provides quotes/comparisons on Term, Annuity, LTC and UL; also includes VitalSigns carrier ratings and financial reports and VitalForms, a forms repository.

WinFlex – Refers EbixExchange's commercially-available illustration software providing the life brokerage community with side-by-side product comparisons that can include advanced concepts such as split dollar, deferred comp, and executive bonuses. WinFlex includes reports on system statistics to help improve market planning.

Wizard Navigation – the application wizards offer a user navigation feature that displays a list of all the screens required for a specific application. This allows the user to navigate directly to a particular application form or element. A checkmark graphic on the left-side of the screen is used to indicate which screens have been completed to provide a graphic overview for users of the application's status.

Workspace Administrator – Refers to the user class responsible for setting up the business units and determining the products that will be sold by a particular distributor. The Workspace Administrator can set up users, choose products, and view reports, but cannot submit an application or sub-pay.

Wire House – (1) A firm whose branch offices are linked by a communications system enabling the sharing of financial information, research, and prices. (2) A firm operating a private wire to its own branch offices or to other firms, commission houses or brokerage houses. (3) A company whose different branches are linked by a communications system enabling the sharing of financial information, research, and prices. Banks are a good example of this, the different branches are connected to allow a customer's information to be used at any branch of that bank.

Appendix G PPfA, Forms XML and PDF Implementation Policies

1.   PPfA Packaging:

    1.1.   One and only one CUSIP per .xml

    1.2.   Each CUSIP in one and only one .xml

    1.3.   Must have at least one distributor in the PPfA

        1.3.1. Distributor codes will be provided by your Project Manager including your test distributors

        13.3.2.   A PPfA may have multiple policy product nodes for distributor and state variations

        Each PolicyProduct must be unique by Distributor (OrgCode) or Jurisdiction. For any PPfA, all PolicyProduct nodes must have the same CUSIP . AnnuityNet enforces one PPfA per product. Distributors may be linked to multiple PolicyProducts; however, the jurisdictions of those PolicyProduct nodes may not overlap, so for all the PolicyProducts to which a distributor is linked, they must have distinct jurisdictions. The JurisdictionApproval.EffectiveDate and ExpirationDates are not considered in determining the overlapping of jurisdictions across PolicyProducts.

        1.3.3. Product codes will be returned in outbound feeds (AN Transact, DTCC APP & SUB, & NBfA-- when implemented)

2.   Carriers should send their Project Managers a sign-off sheet by 9am ET on the morning they want products turned on, if not earlier. This will allow the PM to communication with the distributor and receive signoff to turn the products on that day in their environment. Carriers should also have the PM ensure the feed relationship is established for this new carrier/distributor combination.

3.   PPfAs, Forms XML and tagged PDFs for implementation or maintenance will be scheduled to go up with the defined test production cycles.

4.   Partial updates are currently not defined by the industry or supported by EbixExchange.

5.   Timing

    5.1   Foundry - PPfAs, Forms XML and tagged PDFs will be deployed to ProdSim/UAT continuously every 60 minutes, on the hour. Refer to the Carrier Foundry Training Guide for further details.

    5.2   Production pushes occur at 5pm ET on a daily basis. Any PPfA and/or Forms XML in a *staged* status prior to this time (and scheduled for this date) will be deployed.

6.   Charges on PPfA and Forms Submission

    6.1   Not chargeable

        6.1.2   If a carrier submits a PPfA and/or Forms XML for testing, then EbixExchange will respond with error codes and warnings only.

      6.1.3   If during testing a carrier submits a new PPfA and/or Forms XML, then EbixExchange will post up and/or provide error codes only.

   6.2   Chargeable

      6.2.2   Includes any assistance with review and modeling of PPfA and/or Forms XML that requires more than codes.

      6.2.3   Includes any "fix me" Named Items.

   6.3   Items should be submitted through the Work Order Process. Items noted in 10.8.1 and 10.8.2 will be quoted based upon currently applicable T&M rates.

7.   Timing - Production pushes occur at 5pm ET on a daily basis. Any PPfA and/or Forms XML in a *staged* status prior to this time (and scheduled for this date) will be deployed .

8.   Production pushes – as schedule indicates based upon the most current version of the PPfA as approved for push into production.

Appendix H   Future Developments

H.1. Distributor Product Versions

Currently, the only way to indicate that a certain distributor does not allow a particular rider or fund for a given product is to send two PolicyProduct objects in the PPfA file. One PolicyProduct, which is a copy of the 'generic' with variations included, is linked to one distributor and the other PolicyProduct is linked to the other distributors. The profusion of PolicyProduct objects has been recognized as a major maintenance issue. To mitigate this, ACORD has approved the creation of an ExclusionProduct object inside PolicyProductInfo that fulfills this need. Currently, carrier sentiment (as expressed in the Working Group meeting hosted by Pacific Life in CA in September 2003) is that carriers are willing to remove funds, riders, and rider options from a product on behalf of a distributor, but are not willing to maintain other variants of product rules on behalf of the distributor such as age or premium limits. The industry sentiment on this is unstable, and there is considerable uncertainty about how this will impact the PPfA in future version.

H.2. Interest Rates

ACORD has approved the use of an XTbML-based structure for specifying interest rates. For the present it will coexist with the current structure. When EbixExchange supports interest rates via PPfA, we will only support one method – almost certainly the XTbML method.

H.3. Partial Update Messages

The need for messages that just update interest rates, commission tables, or state availability has been recognized and the detailed requirements for several of these messages. EbixExchange support for these messages (through Foundry) will be evaluated on a case-by-case basis.

H.4. Allocations and Amounts

The PPfA has never robustly supported amounts in service programs. For instance, a systematic withdrawal program that withdraws a fixed percentage of account value is not supported. EbixExchange created a maintenance request through the ACORD Annuity Enhancement Working Group that was approved in June 2004 and has this planned for a future institutive.

Appendix I   Feature Help Display

I.1 Executive Summary

Currently, benefit selection in the application wizard can become a confusing task, either because the choices on the benefits screen do not always match the choices on the provided paperwork or because the name of the feature is insufficient to convey enough details of its functioning. Often, an advisor or their sales assistant needs additional information before making a benefit selection.

When back-office staff are administering an annuity support request, one of the greatest challenges they often face is ambiguity. EbixExchange's new Feature Help Content will replace ambiguity with clarity (informed decision making) by putting appropriate information at administrators' fingertips.

To assist users in making informed decisions (and thus also improve the user experience with our wizard), EbixExchange is developing a new Feature Help Content functionality for inclusion with the November 2005 release of the AnnuityNet Platform. What's more, Feature Help Content will be provided by carriers through an existing node in the PPfA.

I.2 How Feature Help Will be Used

The Baseline Wizard will provide online support of Feature Help Content for rider and service program options, as well as for SPIA payout options. Advisors will be able to view this content on the Benefit Selection screen and use the content in conjunction with the more complete information in the prospectus.

The following is an example of how Feature Help will look; the content provided here is for the Investment Assurance Rider of a fictitious annuity product, Blue Sky Extra:

Investment Assurance Rider

This rider guarantees that the account value will, at a minimum, match the premium adjusted for any withdrawals at rider maturity. Also known as "a secure principal feature," the Blue Sky Insurance Company will add additional funds at rider maturity if the contract value falls below the guaranteed amount. Election of this rider is permanent and cannot be rescinded. If this rider is selected, money cannot be allocated to certain volatile funds.

5 Year Option

The maturity of this option is five years. For this rider benefit to remain active, investment in the following volatile funds is prohibited: Internet Opportunities, Blue Sky Emerging Markets, and Junk Bonds. The list of prohibited funds may be adjusted at the discretion of the Blue Sky investment manager.

10 Year Option

The maturity of this option is ten years. For this rider benefit to remain active, investment in the following volatile funds is prohibited: Internet Opportunities and Junk Bonds. The list of prohibited funds may be adjusted at the discretion of the Blue Sky investment manager.

To show how Feature Help may benefit your operations, note the following hypothetical scenarios:

1. An advisor has sold the Blue Sky Extra product in the past – but he lacks information regarding the new Investment Assurance Rider on the new Blue Sky Extra 2005 product, and he is unsure if the new rider is a logical choice for a client. The advisor enters the wizard and reviews the Feature Help online.

2. A sales assistant receives a set of completed paper application forms from his advisor and is asked to enter the transaction online. Halfway through his online transaction entry, the sales assistant discovers that the models for asset allocation are called "options" on the paper form – but the Baseline Wizard uses the name, "funds;" he wonders if "options" and "funds" are one in the same. Through Feature Help, the sales assistant will be able to accurately and quickly answer this query by reviewing the help content and determining the correspondence between the carrier forms and the wizard.

3. An advisor returns from a client meeting and wishes to have a sales assistant create a Pre-Sale Kit (or, alternatively, generate a transaction) and says, "Put together an app for the Blue Sky Variable Annuity with the secure principal." The sales assistant views the wizard to check to see if the option is listed, and none is listed. The sales assistant then clicks in the wizard to reveal the rider help content – and determines that the Investment Assurance Rider is the desired option.

4. A distributor wishes to have the ability to compare the benefits of a client's existing annuity with the benefits selected for a new annuity proposed as a replacement. With the built-in rider and service program option, Feature Help content may be printed on a Side-by-Side Exchange Comparison Form that includes the Feature Help content for the specific transaction elections entered in the wizard.

5. A distributor's compliance department determines that the NASD's "plain language" directive means that the client must review and sign a distributor Annuity Disclosure Form; this form can include the detailed information contained in Feature Help content.

Note 1: In order to postpone any compliance issues regarding this enhancement, uses 4 and 5 will not be supported without extensive discussion by the Wizard Advisory Group.

Note 2: In order to pursue use of Feature Help content outside of the online viewing functionality, both the carrier and distributor must agree to support the requested functionality. The carrier enables this functionality by including the help content in the PPfA. The standard functionality is turned on for the distributor via a custom request and a one time minimal implementation fee.

I.3 Guidance on Content

Because there is but a single Description element available for each feature, feature option, and payout option, it is critical that a common understanding of the exact data that should be included in the help content. Otherwise, the potential exists for the Feature Help Content text requirements for different distributors to be in conflict, leaving carriers unable to accommodate all their distributors.

In an ideal world we would not want to duplicate information available elsewhere in the PPfA. Duplication of data leads to inconsistencies and duplication of effort. However, because the wizard does not explicitly display many elements that are already included in the FeatureOptProduct element of the PPfA such as charges and fees (displayed on the Transaction Detail page – but this is long after features are selected), age limits, premium limits, conflicts and requisites, these data elements may be included in the Description element.

The benefit of the Feature Help functionality will be derived from inclusion of information that currently does not exist in a conveniently accessible manner. The following information should be included in the help content::

- Brief characterization in standard terminology

- Detailed description of benefit computation (riders)

- Detailed description of how it works (service programs)

- Restrictions on changes and permanence of election

- Restrictions on future allocations (if any)

- Restrictions on future premiums and withdrawals (if any)

- Correspondence issues with paper forms (if any)

I.4 How to Put Feature Help Content in the PPfA

Help content should be included in the FeatureProduct.Description, FeatureOptProduct.Description and (for those carriers participating in the SPIA functionality) the IncomePayoutProductOption.IncomeOptionInfo.IncomeOptionDescription node. The content in the Description for FeatureProduct can differ from the content entered in the FeatureOptProduct description. If a FeatureProduct has only one instance of a FeatureOptProduct, help content can vary or does not have to be included in both the FeatureProduct.Description and FeatureOptProduct .Description. In order to support wizard ergonomics, there will be a limitation of 1,000 characters per Description. Special characters and control characters (such as line breaks and carriage returns) should be avoided. To promote effective, concise clarity, the help content for any option should always be distilled into a single paragraph.

Blue Sky Variable Annuity: Investment Assurance Rider example:

```
<FeatureProduct>
      <FeatureCode>IAR</FeatureCode>
      <Name>Investment Assurance Rider</Name>
      <Description>
       This rider guarantees that the account value will at rider maturity, at a minimum,
       match the premium adjusted for any withdrawals.  Also known as "a secure principal
       feature," the Blue Sky Insurance Company will add additional funds at rider
       maturity if the contract value falls below the guaranteed amount.  Election of
       this rider is permanent and cannot be rescinded.  If this rider is selected, money
       cannot be allocated to certain volatile funds.
      </Description>
      <SelectionRule tc='1'>Rider Optional/Default Value of Rider Option
Allowed</SelectionRule>
      <MaxNumInstances>1</MaxNumInstances>
      <FeatureMappingCode tc='86'>Rider</FeatureMappingCode>
      <RiderTypeCode tc='211'>Secure Principal</RiderTypeCode>
      <FeatureOptProduct>
             <ProductCode>O01</ProductCode>
              <Name>5 Year Option</Name>
             <Description>
             The maturity of this option is five years. For this rider benefit to remain
             active, investment in the following volatile funds is prohibited: Internet
             Opportunities, Blue Sky Emerging Markets, and Junk Bonds.  The list of
             prohibited funds may be adjusted at the discretion of the Blue Sky
             investment manager.
             </Description>
             <CostBP>15</CostBP>
             <ExclusionInvestProduct>
                    <CarrierCode>BLUE_SKY</CarrierCode>
                    <ProductCode>FND01</ProductCode>
             </ExclusionInvestProduct>
             <ExclusionInvestProduct>
                    <CarrierCode>BLUE_SKY</CarrierCode>
                    <ProductCode>FND07</ProductCode>
             </ExclusionInvestProduct>
             <ExclusionInvestProduct>
                    <CarrierCode>BLUE_SKY</CarrierCode>
                    <ProductCode>MDL05</ProductCode>
             </ExclusionInvestProduct>
      </FeatureOptProduct>
      <FeatureOptProduct>
```

```
<ProductCode>002</ProductCode>
<Name>10 Year Option</Name>
<Description>
The maturity of this option is ten years. For this rider benefit to remain
active, investment in the following volatile funds is prohibited: Internet
Opportunities and Junk Bonds.  The list of prohibited funds may be adjusted
at the discretion of the Blue Sky investment manager.
</Description>
<CostBP>15</CostBP>
<ExclusionInvestProduct>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>FND01</ProductCode>
</ExclusionInvestProduct>
<ExclusionInvestProduct>
        <CarrierCode>BLUE_SKY</CarrierCode>
        <ProductCode>MDL05</ProductCode>
</ExclusionInvestProduct>
</FeatureOptProduct>
</FeatureProduct>
```

Appendix J   Baseline Wizard Definition Updates

J.1 October 2004

There were some changes from the previous version of the Baseline Wizard resulting from our experience with the product, feedback from users, and from clarity around PPfA usage.   Enhancements: We have added the following PPfA-driven functionality includes:

- Support for non-insurance exchanges for non-qualified contracts
- Support for multistage asset allocation where the percentage allocation to a category is restricted to a range

J.2 November 2005

- Added Appendix I – Feature Help Display

- Added Appendix J – Baseline Wizard Definition Updates

- Added reference under Benefits Selection (Section 7.2) to Help Content

- Added reference under Initial Allocation (Section 13.5.1.1) to DCA vetting rule

- Added instructions under D.3 Features, for Selection Rules (Default of Single Options)

J.2 December 2005

- Under D.19 XtbML, removed reference to PVF Contract Value Qualifier 'PZ' and added 'TW' and 'TP'.

J.3 November 2006

- Section D.10 Premium Limits - Added reference to utilization of the AllowExceptionsToPremiumInd when distributors have implemented the High Premium Override Workflow stop.

- Section C.2 – Support for effective dates and hard and soft fund closes for subpays.

- Section D.6 – EbixExchange is adding support for effective date processing. This section now includes a precise description of the functionality that we will support as well as detailed ACORD modeling instructions.

J.4 June 2007

- Updated and removed documented issues that have since been addressed by the ACORD Working Group.

- Section D.3 – Added reference to EbixExchange's support of FeatureRequisite and FeatureOptRequisite for linking SDCA (Special Dollar Cost Averaging) and AA (Asset Allocation).

- D.6 – Updated Date Processing to include: PolicyProduct/InvestProductInfo/OLifEExtension (preferred location if the change is across all states) or on PolicyProduct/InvestProductInfo /JurisdictionApproval (preferred location if the fund is treated differently in different states)

- Section D.18 – Referenced the importance of the sequential order of EnumeratedValue entered in the AxisDef of the XtbML table.

- Section D.24 – Support of the Breakpoint object which is used to indicate whether Letters of Intent and Rights of Accumulation (LOI/ROA) apply to A-Share products.

J.5 August 2007

- Section C.1, – Updated Subpay Wizard with the State Rules for Subpays.

- Section C.2.1, – Updated Subpay Wizard with the State Rules for Subpays.

- Section C.5, - Updated replacement functionality for Subpays to include the Money Form "1035" with an insurance exchange and the NAIC questions.

- Section C. 16.0, – Updated the Tier 2 functionality and screen shots

- Section C. 17.2. – Updated to include the enhancements made to the Generic Sales Wizard for Tier 2 Subpays

- Section D.6 – Added new functionality that supports State Rules for Subpays at the product, fund, and options level.

- Section D.19 – Updated the Metadata/AxisDef to clarify the contract duration.

- Section I.2 – Updated the help content to include the implementation process.

- Section 4.1 – Default Rules – item 10 – functionality was added to remove IRS Contribution Limit vetting rules for New Business custodial contracts.

J.6 November 2007

- State Availability for Investment Options – added a note to clarify usage of JurisdictionApproval at the FeatureProduct and FeatureOptProduct level.

- Update Enforce Exclusion Calendar Date modeling considerations – Sections: C.2.3 Tier 2 / Sub-Pay PPfA Available and D.6 Date Processing

- Section D.3 Features & Transactions
  - Updated to include the support for the required aggregates of FeatureTransactionProduct and FeatureProductInfo and modeling considerations.
  - Reference the RiderTypeCode and ArrType ACORD definition of the type code is displayed on the platform rather than FeatureProduct.Name
  - XML snippets have been updated to reflect the supported ArrType and RiderTypeCodes defined by the NAVA Data Conformity Working Group and the new RiderSubType and ArrSubTypes introduced in FeatureOptProduct.
  - Allowable Circumstances for Selecting the Feature and Option section: Included reference to the ride or arrangement availability by:
    - QualifiedPlan
    - Entity
    - AccountDesignation
    - AllowedRelationships
  - Updated the note to reflect FeatureRequisites and FeatureOptRequisites are no longer limited by EbixExchange for linking only SDCA and AA. ** See Technical Correction below
  - When an arrangement scheduling varies by PaymentMode within PaymentModeMethProduct, then specific properties should be valued under PaymentModeMethProduct.
  - Updated reference to AllowedDayCC where it is no longer required by EbixExchange in all PaymentModeMethProducts.
  - Updated the note to reflect SDCA and AA features can be shared across both applications and subpays; cloning the SDCA and AA features to make available to both applications and subpays is no longer requires.
  - Revised Asset Allocation Section and XML snippet due to the modeling changes in the location of DestInvestProduct for Simple and Complex Asset Allocations.

- Section D.6 Date Processing
  - InforceExclusionCalendarDate, InforceExclusionContractDate are no longer supported as OLifeEExtensions and are now modeled under PolicyProduct/InvestProductInfo.

- Section D.10 Qualified Plans, Owner Entity Type, Trust type, Account Designation section
  - Account Designation Definition section – for AccountDesignation tc=5 (Custodial), OrgForm tc=23 (Corporation) is now supported.
  - Premium Limits section – AllowExceptionsToPremiumInd has been deprecated and is replaced by AllowExceptionsToMaxInd and AllowExceptionsToMinInd.
  - Allow Relationship Modeling – changes to the existing EbixExchange interpretation were made in support of the NAVA Data Conformity Working Group's interpretation. The new interpretation is as follows:
    - Match the PolicyProduct.ParticipantBasedOn to the Originating Role.
    - The AllowedRelationship is defined as the [RelatedRole] is the [Relationship] of the [OriginatingRole].
    - If a relationship is not specifically described, then it is not allowed.

- Section D.11 Miscellaneous
  - ➢ DistributionAgreement/CarrierCode in combination with DistributionAgreement/DistrbutionAgreementCode to link to DistributionAgreementInfo/CarrierCode and DistributionAgreementCode. CarrierCode must be the Carrier's NAIC code.
  - ➢ Product Code – updated to indicate this must be unique for carriers to properly identify their products, with one modeling exception.
  - ➢ Feature Codes – updated to indicate these must be uniquely assigned.
  - ➢ Display of Fund Manager – support of InvestProduct/CarrierName to display the Fund manager
  - ➢ Display of Rider and Arrangements – display from the ACORD Description of ArrType and RiderTypeCode and FeatureOptProduct/Name.

- Section D.14 Bonus Products
  - ➢ RiderTypeCode 212 represents Bonus Riders (Premium Enhancements)
  - ➢ Added support for the Reward object off of FeatureOptProduct for rider bonus and credits.
- Section D.17 Fees
  - ➢ CostBP is deprecated
  - ➢ Added support for the Fee object off of FeatureOptProduct

- Section D.18 Commission Options
  - ➢ CommScheduleCode was added to CommSchedule and PolicyProductInfo for entity recognition and replaced CommScheduleKey

- Section D.19 XTbML Tables
  - ➢ TableIdentity and ProviderDomain now reside in CommFormula/TableRef.
  - ➢ MetaData/DataType tc=20 (Percentage) is the only supported type code.
  - ➢ KeySubClassType tc=32 (SubAccount) is supported

- Section D.21 DistributionAgreement
  - ➢ Entity recognition to the DistributionAgreement and DistributionAgreementInfo is the combination of CarrierCode and DistributionAgreementCode.

- Section D.23 TXLife Wrapper
  - ➢ @version = 2.16.01

- Section D.24 Breakpoint
  - ▪ LOIROAType type codes for LOI, ROA and Both LOI and ROA are supported
  - ▪ Support of ShareClass.

J.7 November 2007 – Technical Correction

- Updated the note to reflect FeatureRequisites and FeatureOptRequisites continue to be limited by EbixExchange for linking only SDCA and AA.

J.8 February 2008 – Technical Correction

- Updated Section D.19 XTbML – Clarified KeySubClassType of 32 (SubAccount) is supported instead of tc=33 (InvestProduct).
- Updated Section D.17 Fees – Clarified FeeType tc=4 (Base M&E Charges) is the only supported type code for Fees at the FeatureOptProduct level. Any other FeeType type code on FeatureOptProduct will not display on the TDR (Transaction Detail Report).
- Updated Section D.4 Arrangements – With the migration to 2.16, DCA and Interest Sweep share the same ArrType type code (tc=2) and the ArrSubType further defines DCA (tc=1) and IS (tc=2). EbixExchange requires both features, DCA and IS to reside as feature options in a single instance of the FeatureProduct. SDCA which is another type of DCA can be modeled under this feature or it can be modeled as its own feature with an ArrType tc=2 and an ArrSubType tc=3

J.9 September 2008

- Section 6 – Benefit Selection - Support of the Sequence property off FeatureProduct and FeatureOptProduct controls the display order of the Rider and Service features and their options.
- Section 12.2 inserted option 8. Limits on deposit percents and amounts allocated to specific funds and D.25 Minimum /Maximum Limits for Funds.

J.10 December 2008

- Section D.3 – Features and Transactions – Provided explanation of Requisite Funds by Feature Option. Added notes that FeatureRequisites are no longer limited for linking for SDCA and AA.
- Section D.9 – Age and Premium Limits – Explanation of Custodial Account Beneficiary Screen capturing Date of Birth and MinIssueAge or MaxIssueAge.
- Section D.17 – Fees – Documented the Support of Features Options with Fees varying by State. Added notation InvestProduct.Fee is not supported.
- Section D.19 – XTbML – Supports the use of (*) asterisk as NULL value when no Rider is selected.
- Section D.26 – **12105** Rider Allocation Rule Modeling principle.

J.11 December 2008 - Update

- Section D.11 – Miscellaneous – Provided explanation of additional PPfA modeling requirements.
- Section D.3 - Features & Transactions - Availability by Allowed Relationships - added Caveat and corrected XML example. "A separate FeatureOptProduct for custodial contains a QualifiedEntity for custodial and should not include an AllowedRelationship because the platform logic is hardcoded to collect "Relation to Annuitant" and the only allowed relationships for the Custodial Account Beneficiary page are Husband and Wife."
- Section D.4 – Provided a note indicating the support of MinNumDestinationInvestments for all arrangements.

J.12 December 2008 – Technical Update

- Section D.3– Features and Transactions – Interaction with other features – FeatureOptRequisite - Provided explanation of additional PPfA modeling restriction for SDCA and AA.

J.13 March 2009 – Update

- Section D.4– Arrangements – Systematic Withdrawal – Provide explanation and modeling requirements for the support of the Systematic Withdrawal ArrSubType classifications.

Technical Update

- Section D.11 - Miscellaneous - InvestProduct.ProductCode – when the InvestProductTypeCode = 24 (Category), the ProductCode must begin with an Alpha Character
- Section D.11 – Miscellaneous – Every instance of InvestProduct must have a unique ProductCode.
- Section D.9 – AgeCalculationType – document platform's behavior.

J.14 May 2009 – Update

- Section D.11 - Miscellaneous - InvestProduct.ProductCode – when the InvestProductTypeCode = 24 (Category), the ProductCode must begin with an Alpha Character

- Section D.11 - Miscellaneous – Display Name for Carrier - EbixExchange draws the display of the carrier name on the Platform from Party.Organization.AbbrName, this is generally the marketing name. The Transaction Detail Report displays the carrier name from the Party.FullName property when present and CarrierForm tc=1. If not present, the TDR displays the Party.Organization.AbbrName. The FullName represents the legal entity name.

Technical Update

- Section D.6 Date Processing – Modeling for Effective Date Support for Funds – Support for SalesEffectiveDate off PolicyProduct.InvestProductInfo.JurisdictionApproval is not available on the platform at this time. A fix is planned to support this for the December 2009 release.

J.14 August 2009 – Update

- Section D.3 Features and Transactions - Allowable Circumstances for Selecting the Feature and Option - User of LivesType for Joint Spousal Riders.

Technical Update

- Section D.3 Features and Transactions – Common to Arrangments and Riders – User of Selection Rule type codes.

- Sections 3.2 Rules supported via PPfA and Appendix G – PPfA, Forms XML and PDF Implementation Policies 1.3.2 A PPfA may have multiple policy product nodes for distributor and state variations were updated with the following note:

  Each PolicyProduct must be unique by Distributor (OrgCode) or Jurisdiction. For any PPfA, all PolicyProduct nodes must have the same CUSIP . AnnuityNet enforces one PPfA per product.

Distributors may be linked to multiple PolicyProducts; however, the jurisdictions of those PolicyProduct nodes may not overlap, so for all the PolicyProducts to which a distributor is linked, they must have distinct jurisdictions. The JurisdictionApproval.EffectiveDate and ExpirationDates are not considered in determining the overlapping of jurisdictions across PolicyProducts.

J.15 December 2009 – Update

D.3 Features and Transactions - To support an SDCA program where the target funds are an Asset Allocation (Stastic or Complex), the IP feature option will contain a FeatureOptRequisite pointing to both the SDCA option and the Asset Allocation option. Please see the Initial Premium Allocation section for further modeling details.

When a Rider has a requisite to the Asset Allocation, if an Initial Investment option contains a FeatureOptRequisite to SDCA and AA, the AA requisite condition will be met and vetting should not be invoked requiring the selection of the AA.

D.4 Arrangements - When **MaxNumInvestProduct** is valued on PolicyProduct, this is the maximum number of unique investments/funds on an entire order across all arrangements. This means the entire contract can not have more unique funds than the specified value. If it is not valued, it means no limit across the product, and the individual MaxNumDest/SourceInvestProd would apply to the individual features. When it is valued, the total number of unique funds cannot exceed this max on a contract. When MaxNumInvestProd is modeled, MaxNumDestinationInvestProd and MaxNumSourceInvestProd DO NOT need to be modeled, as they become optional when MaxNumInvestProd is modeled. If MaxNumDestinationInvestProd and MaxNumSourceInvestProd are modeled they can only further restrict. Since MaxNumSource/DestInvestProduct determine whether a dollar transaction amount is collected and how the fund amounts are collected, when they are null, or blank, the platform will assume the maximum is equal to the MaxNumInvestProduct and the below matrix will apply.

D.5 Initial Premium Allocation - **Modeling a mix of SDCA and Complex Asset Allocation in PPfA**: A percentage of the Initial Premium is allocated to a SDCA program and the other portion is assigned to a Complex Asset Allocation program.   Note the IP feature contains a DestInvestProduct for the SDCA Fixed (Source) fund and the CAA Model's ProductCode. A MaxNumDestInvestProd > 1 allows for a percentage to be allocated into the Fixed fund and the remaining initial premium allocated into the CAA.

D.6 Date processing - The support of **PolicyProduct/InvestProductInfo/JurisdictionApproval/SalesEffectiveDate** is now available with the December 2009 release.

D.7 Subsequent Premium – Define the support of SubPayDCAType and DestTransferAmtType.

D.17 Fees – Support PolicyProduct FeeType 13 (SalesLoad)

D.19 XTbML table – Added Note: As of December 2009, we no longer sum the commission percentages for all the funds with money allocated and then calculate the percentage. The commission amount is now calculated based on the percentage of money allocated into the fund and the commission percent for that fund.

KeySubClassType tc=218 is no longer supported and tc=86 (Annuity Rider) or tc=89 (Arrangement) should be used.

D.21 Distribution Agreement – Added the support of NettingAllowedInd.

J.16 April 2010 – Update

D.5 Initial Premium Allocation - **Modeling a mix of Self Directed funds and Complex Asset Allocation in PPfA:**   A percentage of the Initial Premium may be allocated into Self Directed funds and the other portion is assigned to a Complex Asset Allocation program.

- The interaction with the Initial Premium is a combination of Self-directed Funds and a Complex Asset Allocation model. The difference in the modeling is found:
    - The DestInvestProduct in the Initial Premium's option contains the Complex Asset Allocation Model and the Self Directed Funds.
    - The Initial Premium option contains a requisite to the Complex Asset Allocation option.
    - The DestInvestProduct in the Asset Allocation's Complex Asset Allocation option contains the funds that make up the model.
    - The InvestProductInfo. MinDepositPct and MaxDepositPct are used to specify the range of percentages permitted. When MinDepositPct = MaxDepositPct, then the precise percentage is specified by the carrier and that percentage will be displayed by Wizard, and the client will not be able to elect a percentage.
    - The DestInvestProduct.Min/MaxPct and Min/MaxAmt for the Self Directed funds restricts allocations into the funds.
    - The model (InvestProductTypeCode = 23), the categories (InvestProductTypeCode = 24), and funds (InvestProductTypeCode = 15) are defined in InvestProduct and linked by InvestProduct.InvestProduct.Info

7.1 Owner Data Collection – Inherited IRA
D.10 - Qualified Plans, Owner Entity Type, Trust Type, Account Designation – Inherited IRA

D.17 – Fees - PolicyProduct.Fee's that vary by Jurisdiction are supported and only the Fee(s) specific to the Jurisdiction will be calculated and displayed on the Transaction Detail Report.

Technical Note – D.17 Fees – Jurisdiction is not recognized when PolicyProduct.Fee's vary by Jurisdiction and the fee amounts are calculated and the sum of the fees display on the TDR Report.

Technical Note – D.7 Subsequent Premium - **Fund Restrictions Using ExclusionInvestProduct** on FeatureOptProduct is not supported for Subpays.

J.17 December 2010 – Update

D.17 – Fees – Support Fees for Service Programs/Features and off InvestProduct.Fee
FeeTypeCode tc=9 .

Update – D.17 The platform enhancement to support Fees off InvestProduct has been withdrawn, support of this modeling is custom to a specific distributor.

J.18 December 2010 – Technical Update

D.3 Features & Transactions and D.6 Processing Date – FeatureOptRequsites – Note added regarding requisite feature options not enforced when having a SaleExpirationDate past date.

J.19 June 2011 – Update

D.17 – Fees - PolicyProduct.Fee's that vary by Jurisdiction are supported and only the Fee(s) specific to the Jurisdiction will be calculated and displayed on the Transaction Detail Report.

J.19 June 2011 – Technical Update

D.4 - Arrangements - **MaxNumDestinationInvestProd** is now supported for Asset Allocations. When an IP option has a requisite to an Asset Allocation feature option, the MaxNumDestinationInvestProd on the Asset Allocation feature option is used to restrict funds. When an IP option has a requisite to both an SDCA and AA feature option, the MaxNumDestinationInvestProd on the SDCA feature option is used to restrict funds and the MaxNumDestination InvestProd on the Asset Allocation feature option is ignored.

J.20 December 2011 – Update

D.26 Rider Allocation Rule Modeling Principles - Validation is performed on an edited transaction to ensure the funds allocated into this model still exist and the sum of the allocations equals 100%.

J.21 Technical Update

11.1.1 – Payment Method / Settlement Interactions – Updated netting for Check to indicate No Net. Additionally added the following text: When both the Distributor and Carrier are setup to Net, Brokerage Account and Qualified Brokerage Accounts will retain commissions. Check, Exchange (1035, Transfer, Rollover) and Other Insurance Exchange (CD Redemption or Mutual fund Redemption do not retrain commissions.

Correspondent Models – One correspondent can not be linked to a PolicyProduct that contains both App and Subpays, while another Correspondent model is linked to a PolicyProduct that only allows one or the other.   All correspondents must be liniked to a PolicyProduct that supports both New Business and Subpays and the Foundry Distributor Delta tool must be used to apply the appropriate restrictions to Correspondent Models.

D.6 Processing Date - For Tier 2 clients, when a subpay is initiated, the system does not check the No New Money Date. The system only checks the basic entries for product availability to get the carrier, distributor and product information.   The product availability logic is checked in detail during the Teir 2 contract data import process.

ExclusionInvestProduct does not restrict funds when a FeatureOptProduct has Jurisdiction with SaleExpirationDate that is already expired.
(/TXLife/TXLifeRequest/OLifE/PolicyProduct/AnnuityProduct/FeatureProduct/FeatureOptProduct/JurisdictionApproval/ SaleExpirationDate). Solution is to delete the Jurisdiction in which FeatureOptProduct is not valid based on SaleExpirationDate.

J.21 May 2012 - Update

D.4 Arrangments – **Asset Allocations** - When the IP MaxNumDestinationInvestProd for static Asset Allocation models is null or 1, we will present radio buttons and only allow a single selection. When greater than 1, the static models will display a percentage field.

D.17 – Fees Support of **Policy Marketing % Admin Charges -** Fee tc=1**022500035**

J.22 December 2012 - Update

- **44594 – Utilize Entity Recognition Rules for Product Codes** - The Rider Allocation Rule Model defined in RequisiteInvestProduct will be recognized based on Entity Recognition Rules.

  When a rider consists of multiple feature options having the same ProductCode for a single feature, and are uniquely identified by Entity Recognition (Jurisdiction or QualifedPlanEntity), the platform will distinguish the appropriate Rider Allocation Rule Model with the corresponding rider.

- D.11 Miscellaneous - **Display of rider and arrangements – 44626 Display FeatureProduct.Name**

J.23 April 2013 - Update

- **43922 – Support AgeCalculationType on FeatureOptProduct** – Appropriate age vetting message will be invoked based on the AgeCalculationType defined at the rider level.

- **49725 – Support MinTransactionAmt for DCA program** - Vetting will be invoked when an amount entered is less than the specified amount defined by the carrier.

- **D.11 Miscellaneous – Generate a NI ABBRNAME** for the AbbrName. **48094** – Create a Named Item based on the AbbrName from the PPfA that corresponds to the Distributors's OrgCode.

- **D.4 Arrangements** – **Asset Allocations 49100** - Support of Min/MaxPct for Static Model Asset Allocations – The platform now supports Min/MaxPct and Min/MaxAmt properties to further restrict static asset allocation rules. The properties are supported on the IP's DestInvestProduct.

J.24 December 2013 - Update

- **51719 – Enhance Benefits Page for Riders with a single option** – Riders will no longer display a Yes / No option, the FeatureOptProduct.Name will be presented next to the option. If the Rider is optional, a None option will be presented to decline the rider.

- **D.27 E-Delivery - 51668 – E-delivery**

- **D.24 Break Points 54711 - New Named Item BREAKPOINT_CHARGE – Note indicating the NI will contain the calculated value.**
  The premium amount falls within the Break Point range and then uses the RangePointBP or range point base percentage to calculate the sales charge and place that calculated results in the BREAKPOINT_CHARGE named item.

- **D.11 Miscellanious 55299 - Support MinNumPrimaryCoveredPersons to require a Joint Annuitant**

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End of Document

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