

Reversing PPFT Rider

Overview

This procedure explains how to reverse payments off a policy with a premium paying flex term (PPFT) rider.

Tip: Refer to [PPFT Snapshot.pdf](#) for an overview of the rider and how it functions.

Procedure

Identifying a PPFT Rider

Below is an example of a policy which has a premium paying flex term rider.

- **PPFT** stands for Premium Paying Flex Term rider.
- The **Amount** column shows the face amount of the rider. In this example, the face amount is 79715.
- The next column shows the annual premium of the rider. In this example, the annual premium is \$771.00.
- The **CS** column shows the year in which the rider (or policy) will mature on the anniversary date. In this example, the rider will mature on 3/2/2054.

```
RNVI 24 00
INS: (OWNER)
OWN: RICHARD KIRKLAND RD
SSN: ZIP:
BENEFITS
LIFEBLDR NS 150000
INTERNAL PD-UP
ADDITIONS 20285
ABR 3 - CRITICAL
ABR 4 - TERMINAL
ABR 5 - CHRONIC
PPFT 79715 771.00 54
ANLN PREM 5817.50
ANLN PLANNED PREM 6488.64
DATES ARE YYYY-MM-DD
STATUS: I/F PAID TO: 23-03
ISSUED: 011-03-02 AGE: 57
MALE BORN
ANIV YR: 23
LAST ACTION
CHG: 23-03-02 A: 1912
ACT: 23-03-02 B:
DIV: 23-03-02 O: 1103
PL: 00-00-00 APL 0000
LNRT: 5.0V
AGENCY: 027
NOTICE TO: OWN DIV: FLX1
SIGNATURE: OWNER
PREMS:
54 A 5817.50
S 2966.93
54 Q 1512.55
M 523.58
6 511.94
CAP AGENT: ANNLD COM
0.0 38278-28 N
12195-12 N
NONFOR: AT
SVC AGT JOHN A GUSTAFSON CLU
DOL: N DD LD
MED: C 1468HB9789 BPA04272315352600
PDR: I ABR: ABR GENR: 1 1 1
-NOT ON EFT
```

Reversing EFT return with PPFT Rider and Excess Premium

RNVI 7:00

INS: [REDACTED] DATES ARE YYYY-MM-DD
 STATUS: I/F PAID TO: 21-03
 OWN: MARIANA [REDACTED] ISSUED: 021-02-11 AGE: 07 LAST ACTION
 FEMALE BORN [REDACTED] CHG: 21-02-12 A: 0000
 ANIV YR: 21 ACT: 21-02-12 B:
 AGENCY: 3HY DIV: 00-00-00 O: 2102
 SSN: [REDACTED] ZIP: 93030 NOTICE TO: OWN DIV: FLX1 PL: 00-00-00 APL 0000
 SIGNATURE: OWNER LNRTE: 5.0V
 BENEFITS AMOUNT CS PREMS:
 TOTSEC NS 120000 461.60 14 A 524.10
 INTERNAL PD-UP S 267.29
 ABR 1 - TERMINAL Q 136.27
 ABR 2 - CHRONIC M 47.17
 ABR 3 - CRITICAL 6 46.12 CAP AGENT: ANNLD COM
 ABR A - CRITICAL INJURY 0.0 61789-22
 PPFT 50000 62.50 14 2559D-01
 EFT SP MO PREM 46.12 1679M-01
 SP MO PLANNED PREM 50.49
 NONFOR: AT ACCEPT DATE: 21-03-29
 SVC AGT FELIX VIVAR
 DOL: N DD 99 LD
 PDR: I ABR: ABR GENR: 1 2 2 3 MED: N 1388HB7587 BBW03032108232001

This amount is your required premium including your PPFT rider. The RECI screen will not outline the full accounting if PPFT exists. Following pages include HIST accounting w/ payment broken down.

| POLICY HISTORY ACCOUNTING | | | | | | | | | | PAGE: 1 OF 1 | |
|---------------------------|------|----------|----------|---------------------|-------------|---------|----|---------|--------|--------------|--|
| PREP | TRAN | EFFECT | LAST | ACTIVITY | DESCRIPTION | BATCH | NO | ACCOUNT | AMOUNT | | |
| 21/02/12 | I PZ | 21/02/11 | 00/00/00 | FLEX TERM CASH PREM | V121 | 0173018 | | | 5.50- | PPFT Prem | |
| 21/02/12 | I PZ | 21/02/11 | 21/02/12 | FIRST YEAR PREMIUM | V121 | 0103001 | | | 40.62- | Base prem | |
| 21/02/12 | I PZ | 21/02/11 | 21/02/12 | EXCESS PREMIUM | V121 | 0103031 | | | 4.37- | Excess Prem | |
| 21/02/12 | I PZ | 21/02/11 | 21/02/12 | PREMIUM CLEARING | V121 | 0002863 | | | 50.49 | | |

POL: I7:00
 BEGIN DATE: 000000
 END DATE: 000000 ALL DATES ARE YYMMDD 1387HB7587 BBW03032108262500

The below **PGAM** shows a special monthly premium of \$46.12 and excess premium of \$4.37 being reversed off the policy. The total amount of \$50.49 is being placed into the EFT return account to offset the returned payment.

In the below scenario, the payment was applied at the special monthly frequency for both the base policy and the PPFT rider. Therefore, the reversal is being processed at the special monthly frequency for both the base policy and the PPFT rider. This means the **FT** field can be left blank, because there has not been a frequency change since the payment was applied to the policy.

If the policy had already been changed to regular monthly frequency, we would need to add a **6** in the **FT** field, so that the correct special monthly amount would be reversed off the PPFT rider.

Tip

Refer to [Premium Paying Flex Term \(PPFT\) Rider Accounting](#) for more details on the **FT** field and how it can be used for payments and reversals.

```

PGCM I7 00
-PP ENTRIES-
SYS POL # DUE APP DIV/ F PREMIUM SN T CODES DESC -ABC/PBC ONLY-
I 7 00 2102 46.12 - YC01 INT EFF LOADING

-P9 ENTRIES-
SYS POLICY NO EFF DATE ACCT NO AMOUNT DESCRIPTION LOAN MODE
I 7 00 210211 EYR 4.37
I 7 00 210303 0002601 50.49- RET CK

1122HB9789 BPA03052112163800

YC12 - ANNUAL
YC06 - SEMI ANNUAL
YC03 - QUARTERLY
YC01 - MONTHLY/SPECIAL MONTHLY

```

*The numbers following your YC code represent how many months you are reversing.

When reversing monthly payments always reverse the last premium paid.

Example: February premium was returned and a replacement payment pays March, paying the policy to April. You would reverse the policy to March as we only need to bring the paid to date back one month.

When crossing over anniversary dates be sure that you are reversing the correct required premium and excess.

Reversing non-EFT return with PPFT Rider and Excess Premium

The below **PGAM** shows a special monthly premium of \$46.12 and excess premium of \$4.37 being reversed off the policy. The total amount of \$50.49 is being placed into the non-EFT return account to offset the returned payment.

In the below scenario, the payment was applied at the special monthly frequency for both the base policy and the PPFT rider. Therefore, the reversal is being processed at the special monthly frequency for both the base policy and the PPFT rider. This means the **FT** field can be left blank, because there has not been a frequency change since the payment was applied to the policy.

If the policy had already been changed to regular monthly frequency, we would need to add a **6** in the **FT** field, so that the correct special monthly amount would be reversed off the PPFT rider.

Tip

Refer to [Premium Paying Flex Term \(PPFT\) Rider Accounting](#) for more details on the **FT** field and how it can be used for payments and reversals.

```

PGCM I7 00
-PP ENTRIES-
SYS POL # DUE APP DIV/ F PREMIUM SN T CODES DESC -ABC/PBC ONLY-
I 7 00 2102 46.12 - YC01 INT EFF LOADING

-P9 ENTRIES-
SYS POLICY NO EFF DATE ACCT NO AMOUNT DESCRIPTION LOAN MODE
I 7 00 210211 EYR 4.37
I 7 00 210303 0002877 50.49- RET CK

1122HB9789 BPA03052112163800

YC12 - ANNUAL
YC06 - SEMI ANNUAL
YC03 - QUARTERLY
YC01 - MONTHLY/SPECIAL MONTHLY

```

*The numbers following your YC code represent how many months you are reversing.

When reversing monthly payments always reverse the last premium paid.

Example: February premium was returned and a replacement payment pays March, paying the policy to April. You would reverse the policy to March as we only need to bring the paid to date back one month.

When crossing over anniversary dates be sure that you are reversing the correct required premium and excess.

Reversing EFT return with PPFT Rider (no excess premium)

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PGCM I2 0000
-PP ENTRIES-

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| SYS | POL # | DUE | APP DIV/ ABC COPP | PREMIUM | SN | T | F CODES | DESC | -ABC/PBC ONLY- INT EFF LOADING |
|-----|-------|------|----------------------|---------|----|---|------------|------|-----------------------------------|
| i | 2000 | 2404 | | 770.47 | - | | yc06 | | |
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-PP ENTRIES-

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| SYS | POLICY NO | EFF DATE | ACCT NO | AMOUNT | DESCRIPTION | LOAN MODE |
|-----|-----------|----------|---------|---------|-------------|-----------|
| i | 2000 | 240421 | 0002601 | 770.47- | ret ck | |
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0928HA2690 BPK04242420050300

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Reversing non-EFT return with PPFT Rider (no excess premium)

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PGCM I2 0000
-PP ENTRIES-

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| SYS | POL # | DUE | APP DIV/ ABC COPP | PREMIUM | SN | T | F CODES | DESC | -ABC/PBC ONLY- INT EFF LOADING |
|-----|-------|------|----------------------|---------|----|---|------------|------|-----------------------------------|
| i | 2000 | 2404 | | 770.47 | - | | yc06 | | |
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-PP ENTRIES-

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|-----|-----------|----------|---------|---------|-------------|-----------|
| i | 2000 | 240421 | 0002877 | 770.47- | ret ck | |
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0928HA2690 BPK04242420050300

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Reversing Premium and Excess with PPFT Rider to Suspense

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|----------------|--------|------|----------------------|---------|----|---|------------|------|-----------------------------------|
| PGCM I2 000000 | | | | | | | | | |
| -PP ENTRIES- | | | | | | | | | |
| SYS | POL # | DUE | APP DIV/ ABC COPP | PREMIUM | SN | T | F CODES | DESC | -ABC/PBC ONLY- INT EFF LOADING |
| i | 200000 | 2404 | | 770.47 | - | | yc06 | | |
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- Finally, add another line in the P9 entries to place the money into suspense using account PX.
 - If the money is going to be refunded later, use the date the money was received as the effective date for the PX transaction.
 - If the money is going to be paid back onto the policy later, use the new paid to date of the policy as the effective date for the PX transaction.

Warning

If reversing off the initial premium for a policy with a billed adds rider, you must email OpsAccounting@nationallife.com to ask them to remove the earned Adds off the rider.

Note

The below reversal example does not include excess premium. If a premium reversal is being processed for a policy with a PPFT rider, an Adds rider, and excess premium, modify the below screenshot by adding a second line in the P9 entries. The effective date should be the effective date shown on the HIST screen for the EY transaction, the account number should be EYR, and the amount should be the amount shown on the HIST screen for the EY transaction. This line will not have a negative sign.

| PHT3 | | POLICY HISTORY ACCOUNTING | | | | | PAGE: 1 OF 2 | | |
|-----------|-----------|---------------------------|---------------|---------------------|----------|---------|--------------|--|--|
| PREP DATE | TRAN CODE | EFFECT DATE | LAST ACTIVITY | DESCRIPTION | BATCH NO | ACCOUNT | AMOUNT | | |
| 24/03/21 | I DV | 24/03/20 | 00/00/00 | SINGLE PREMIUM | V211 | 0193015 | 1200.00- | | |
| 24/03/21 | I DV | 24/03/20 | 24/03/21 | POLICY SUSPENSE | V211 | 0192862 | 1200.00 | | |
| 24/03/21 | I DV | 24/03/21 | 00/00/00 | DIV REG | | | | | |
| 24/03/21 | I PZ | 24/03/20 | 24/03/21 | POLICY SUSPENSE | V211 | 0192862 | 100.00- | | |
| 24/03/21 | I PZ | 24/03/20 | 24/03/21 | FLEX TERM CASH PREM | V211 | 0173018 | 90.11- | | |
| 24/03/21 | I PZ | 24/03/20 | 24/03/21 | FIRST YEAR PREMIUM | V211 | 0103001 | 424.69- | | |
| 24/03/21 | I PZ | 24/03/20 | 24/03/21 | PREMIUM CLEARING | V211 | 0002863 | 614.80 | | |

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|-------------|--------|----------------------|
| POL: | I7 | 00 |
| BEGIN DATE: | 000000 | |
| END DATE: | 000000 | ALL DATES ARE YYMMDD |

0928HA2690 BPK04242420354611

PGCM I70000

-PP ENTRIES-

| SYS | POL # | DUE | APP DIV/ ABC COPP | PREMIUM | SN | F T | CODES | DESC | -ABC/PBC ONLY- INT EFF | LOADING |
|-----|-------|-----|----------------------|---------|----|-----|-------|------|---------------------------|---------|
| i | 7 | 00 | 2403 | 514.80 | - | | vc01 | | | |
| i | 7 | 00 | 2403 | 100.00 | - | | rc01 | | | |
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-P9 ENTRIES-

| SYS | POLICY NO | EFF DATE | ACCT NO | AMOUNT | DESCRIPTION | LOAN MODE |
|-----|-----------|----------|---------|---------|-------------|-----------|
| i | 7 | 00 | 240320 | px | 614.80 | |
| i | 7 | 00 | 240320 | 0193015 | 1200.00 | |
| i | 7 | 00 | 240320 | 0192862 | 1200.00- | |
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0673HA2690BPK04092415161100

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Related Resources

- [PPFT Snapshot.pdf](#)
- [Premium Paying Flex Term \(PPFT\) Rider Accounting](#)
- [Understanding Policy Accounting](#)
- [Manual Returned Check Reversals](#)

Article Details

| | | | |
|---------------|--------------|-------------------|------------------------|
| Last Reviewed | 4/24/2024 | Intended Audience | Billing |
| Approved by | Evan Kleypas | Department | Inbound Payment Center |

PUBLISHED

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