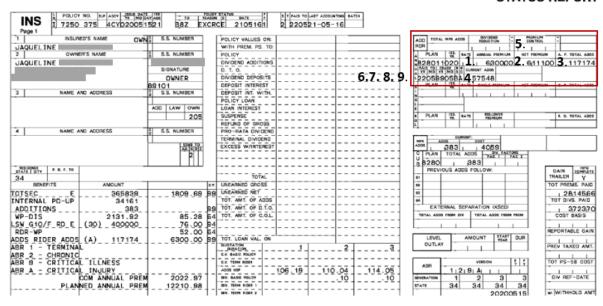# Reversing Adds Rider

Overview

An Adds Rider is a rider that purchases additional death benefits, usually at the policy's issue. There are several types of Adds Riders, but for the sake of keeping this simple, we will focus on Annual Billed Adds Riders or Modal Adds Riders with a premium associated with them.

Details

Familiarize yourself with the Adds Rider Fields

Field	Action
Annual Premium	
Net Premium	
Total Adds	Total adds purchased to date **Note:** This field s/b the same as total adds on back of status)
Current Adds	Current adds purchased from premium payment
Premium Control	Amount of premium still due for the Annual Adds Rider
Paid To	Date in which adds rider is paid to) Note* this should equal your current paid to date
Cease	Adds Rider end Year and Month
BS	Bill Status B= billed
BC	Bill Code may reflect an A for Annual Adds Rider or be blank for Modal Adds Rider.

INS
Page 1

	POLICY NO.	SUP	ASGV	ISSUE DATE	ISS		TO	POLICY STATUS	DATE		T	PAID TO LAST ACCOUNTING	BATCH
				YR MO DAY AGE				REASON					
I	7250 375		4CYD2005	15	21		B8Z	EXCRCE	2105161	2		220521-05-16	

1	INSURED'S NAME	OWN	S.S. NUMBER
JAQUELINE		
2	OWNER'S NAME		S.S. NUMBER
JAQUELINE		
	SIGNATURE		
	OWNER		
89101		
3	NAME AND ADDRESS		S.S. NUMBER

| ADD | LAW | OWN |
| | | 205 |

| 4 | NAME AND ADDRESS | | S.S. NUMBER |
| | | SEND TO AA PHONE |

| RESIDENCE STATE / CITY | P. B. F. TO |
| 34 | |

BENEFITS	AMOUNT		D.Y.
TOTSEC _ _ _ _ E	365839	1809.68	99
INTERNAL PD-UP	34161		
ADDITIONS _ _ _ _	383		99
WP-DIS _ _ _	2131.92	85.28	64
LSW G10/F_RD_E	(30) 400000	76.00	94
RDR-WP		52.00	64
ADDS RIDER ADDS (A) _ _ 117174		6300.00	99
ABR 1 - TERMINAL			
ABR 2 - CHRONIC			
ABR 9 - CRITICAL ILLNESS			
ABR A - CRITICAL INJURY			
COM ANNUAL PREM	2022.97		
PLANNED ANNUAL PREM	12210.98		

POLICY VALUES ON:	
WITH PREM. PD. TO:	
POLICY	
DIVIDEND ADDITIONS	
D. T. O.	
DIVIDEND DEPOSITS	
DEPOSIT INTEREST	
DEPOSIT INT. WITH.	
POLICY LOAN	
LOAN INTEREST	
SUSPENSE	
REFUND OF GROSS	
PRO-RATA DIVIDEND	
TERMINAL DIVIDEND	
EXCESS W/INTEREST	
TOTAL	

		D.Y.
UNEARNED GROSS		
UNEARNED NET		99
TOT. AMT. OF ADDS		
TOT. AMT. OF D.T.O.		99
TOT. AMT. OF C.O.L.		

	1	2	3
TOT. LOAN VAL. ON			
QUOTATION			
ENDATURE			
C.V. BASIC POLICY			
C.V. TERM RIDER			
ADDS NSP	106.19	110.04	114.05
DIV. BASE POLICY		.10	.10
DIV. TERM RIDER 1			
DIV. TERM RIDER 2			

6.7.8.9.

ADD RDR	TOTAL MFR ADDS		DIVIDEND REDUCTION		5.	PREMIUM CONTROL		
	PLAN	ISS YR	RATE	ANNUAL PREMIUM		NET PREMIUM	A. F. TOTAL ADDS
A	8280 11020		1.	630000	2. 611100	3. 117174	
	PAID TO CEASE YR MO MS		CURRENT ADDS				
	22058905BA	4 57548					
	PLAN	ISS YR		SINGLE PREMIUM		NET PREMIUM	A. F. TOTAL ADDS

| PLAN | ISS YR | RATE | ROLLOVER PREMIUM | | | R. D. TOTAL ADDS |

MFR ADDS	CURRENT ADDS 383	COST 4059
C PLAN	TOTAL ADDS	DIV FACTORS FAE 1 FAE 2
U B 8280	383	

PREVIOUS ADDS FOLLOW:

81	
82	
83	
84	

EXTERNAL SEPARATION (XSEP)
| TOTAL ADDS FROM DIV | TOTAL ADDS FROM PREM |

| LEVEL OUTLAY | AMOUNT | START YEAR | DUR |

ABR	VERSION		S/T
GENERATION	1 1 2 9 A		
	1	2	3	3
STATE	34	34	34	34
				20200515

	GAIN TRAILER	INFO COMPLETE Y
TOT PREMS. PAID		2814566
TOT DIVS. PAID		372370
COST BASIS		
REPORTABLE GAIN		
PREV TAXED AMT.		
TOT PS-58 COST		
DIV REF-DATE		
WITHHOLD AMT		

Calculating your Premium Control Field

The billed amount for Modal Adds always follows the same rule as the base premium calculation. The Premium Control field will reflect the balance of premiums due on the policy. Each time a premium is paid, the field will reduce by the same amount as the Adds Rider premium until the field shows 0.00 on the anniversary. The cycle begins again once the anniversary earns.

Semi-Annual = .51 (Annual Adds Rider premium*.51 = Adds Rider premium*2)
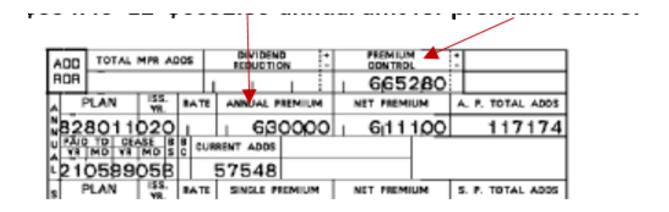
Quarterly = .26 (Annual Adds Rider premium*.26 = Adds Rider premium*4)

Monthly = .09 (Annual Adds Rider premium*.09 = Adds Rider premium*12)

EFT = .088 (Annual Adds Rider premium*.088 = Adds Rider premium * 12)

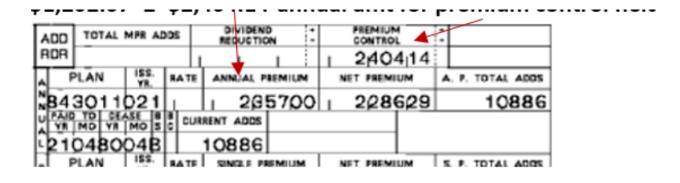**Example 1**: Assume we take the above sample where we have a Modal Adds Rider on EFT special monthly.

The annual premium is $6,300.00 ($6,300.00 * .088 = $554.40 - EFT premium for Modal Adds Rider) $554.40*12 = $6652.80 - annual amt for premium control field.

ADD ROR	TOTAL MPR ADDS		DIVIDEND REDUCTION	+/-	PREMIUM CONTROL	+/-	
					665280		

A N N U A L	PLAN	ISS. YR.	RATE	ANNUAL PREMIUM	NET PREMIUM	A. P. TOTAL ADDS
	828011020			630000	611100	117174

U A A L	PAID TO CEASE YR MD YR MO	B S	B C	CURRENT ADDS			
	21058905B			57548			

S	PLAN	ISS. YR.	RATE	SINGLE PREMIUM	NET PREMIUM	S. P. TOTAL ADDS

Example 2: Assume you have a modal adds rider on a semi-annual mode.

The annual premium is $2,357.00 ($2,357.00 *.51=$1,202.07)

$1,202.07*2=$2,404.14-annual amt for premium control field

ADD ROR	TOTAL MPR ADDS		DIVIDEND REDUCTION	+/-	PREMIUM CONTROL	+/-	
					240414		

A N N U A L	PLAN	ISS. YR.	RATE	ANNUAL PREMIUM	NET PREMIUM	A. P. TOTAL ADDS
	843011021			235700	228629	10886

U A A L	PAID TO CEASE YR MD YR MO	B S	B C	CURRENT ADDS			
	21048004B			10886			

	PLAN	ISS.	RATE	SINGLE PREMIUM	NET PREMIUM	S. P. TOTAL ADDS

Mode Changes

A mode change for a policy with a billed Annual/Modal Adds Rider may only be made on the policy anniversary. Dividend accounting occurs on the policy anniversary, purchasing the adds and placing the correct amount in premium control. The premium mode determines the premium control.

If premiums are paid to the policy anniversary and the premium control field is blank, **AND** there is not an **A** under **BC** (bill code on status) if changing to modal, the change may be processed. If you have passed the policy anniversary, adjust the premium control and

process the necessary accounting for the difference. For example, if you were changing the mode from Annual to quarterly, you would want to debit the premium control account (0192862) and credit the adds rider account (0193015) or the adds account (0123015). In the example below, the dividend is already earned, and we are changing the mode from Annual to Monthly. Therefore, we would have to do **ngnm** accounting to debit (0192862) by $288.59 and credit (0193015) by $288.59. Then, request a field change (to be done by an Ops Accounting Rep) to the premium control field to $3,895.99 (3607.40 * .09 = 324.66 *12).

```
21/07/08 I DA 21/07/08 21/07/08 POLICY SUSPENSE        0192862    3607.40
21/07/08 I DA 21/07/08 21/07/08 SINGLE PREMIUM          0193015    3607.40-
21/07/08 I DA 21/07/08 20/07/08 DIV REG

 NGEM I249148300

 -P9 ENTRIES-                                                        LOAN
  SYS  POLICY NO   EFF DATE   ACCT NO    AMOUNT    DESCRIPTION       MODE
   i    24    3     210708    01     2   288.59    _____        __
   i    24    3     210708    01     5   288.59-   _____        __
   _    _____     _____    _____   _____   _____        __
```

Procedure

Day 1

1. Order a cash value status at receipt of request. Go to Mainframe Omni, access a blank screen and type **RHCI ^ Policy Number, C** and press Enter.

   Tip: The **C** in this entry generates the Cash Value stat.

   Note: Confirm the premium mode has not changed. If so, you need to do a PRMF CF to change payment mode.

2. Review the RNVI Screen and the status to confirm what you are reversing. In the screenshot below we are reversing the April Semi-Annual which will bring us back to issue.

Your pd-to-date will be important for checking screens Day 2.

Annual premium $2,357.00*.51=$1,202.07

Adds rider semi-annual premium = 1202.07 x 2 = 2404.14 annualized
One semi-annual adds rider premium is paid so control field is 1202.07 (2404.14 – 1202.07 = 1202.07)

3. From a blank screen type **PGNM^ipolicy#** press Enter. Update the fields with the following information.
   PP Entries

Field	Action
SYS	i
POL	Policy number
Due	YYMM
PREMIUM	Base Premium on line 1
	Adds Rider Premium on line 2
SN	MINUS SIGN (-) to reverse
CODES	YC and number of months reversing Base

	RC and number of months for Adds Rider
	For example, ANNUAL =12, SEMI ANNUAL = 06, QUARTERLY = 03, MONTHLY = 01

4.

P9 Entries

Field	Action
SYS	i
POL	Policy number
EFF DATE	YYMMDD (If you are reversing an excess, use the effective date, not process date. If funding a clearing account, use current date.)
ACT NO	The Account number you are crediting. EYR for excess PX for suspense or you can go to a clearing account

5.

6. Manually reverse the DV accounting.

   Note: Complete this step if you are reversing the Initial Premium.

   - **Debit** the 0193015 account and **credit** the 0192862 account using NGNM Accounting.
   - Use the anniversary date as your effective date.
   - Press Enter.

7. On the status you ordered the day before, print to E-Copy Type to remove Total Adds. This needs to be done on the front and back of the status and then E-Copy to WF Ops Workflow to have an Ops Specialist make the field changes for you.

   Note: If you do not do this step, your Adds will appear doubled when you go to repay your premium.

Please remove Total Adds for A.P. Total Adds field on front of status.

Also remove total Adds on back of status.

Once the field changes have been made by the Ops Accounting Specialist, they will order a new status to be sure the record is correct.

Day 2/NDO

1. Confirm that your reversal of premiums processed correctly by checking the RNVI screen in Mainframe. Check to see that your pd-to-date moved back correctly
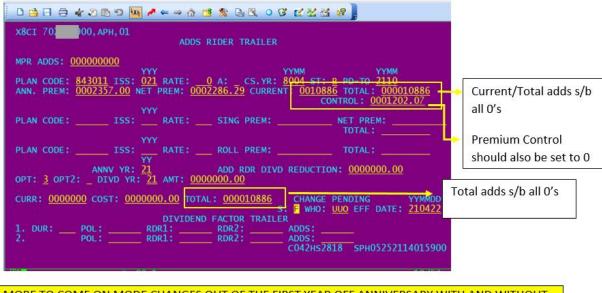

Pd-to-date is correct.

2. If you processed an EYR, access the XEXI screen and confirm that the excess was reversed correctly.

Excess was reversed correctly.

Note: Steps 3 and 4 are the Ops Accounting Specialist Field Change Process.

3. From a blank Screen type **X8FI^policy#,who-code** beginning with an A (AKM in lieu of BKM),01, last change or activity date. For example, **X8FI 1234567,akm,01,210607).**
This will change to X8CI screen.
4. Update the following fields.
   - Total Adds in MPAR Trailer s/b 00000.
   - Total Adds in Adds Trailer on Back of Status s/b 00000.
   - Order new status with RHCI, current date,c.

Current/Total adds s/b all 0's

Premium Control should also be set to 0

Total adds s/b all 0's

MORE TO COME ON MODE CHANGES OUT OF THE FIRST YEAR OFF ANNIVERSARY WITH AND WITHOUT EFT RETURNS.

Related Resources

- *TBD*

Article Details

Last Reviewed	03/29/2024	Intended Audience	Inbound Life Billing
Reviewed by	Emily Boivert	**Business Block**	Payment Center

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