Redating a Policy

Overview

This article provides the guidelines and procedures for redating a policy.

Procedures

Guidelines

We can now process real-time CI and BI changes. This procedure should be used to change the redate indicator and the acceptance date as needed.

Scenarios when using the CI3 Screen to process your changes in real-time will SAVE TIME AND PAIN

- 1. Premium finance cases fail to pay (and remove the policy from VTG entirely) when the Collateral Assignee Owner Code is A, and the Redate indicator is Y. Change Redate to N and post payment on the same day.
- Late initial payments fail and bomb to suspense if acceptance date is prior to the date the money is applied to the policy.
 Change the acceptance date and post payment on the same day.
- 3. You can also change MEC designation and TEFRA guidelines and post payments on the same day.

Special Instructions

- Anytime you're applying premium of \$1mil or more, use extra care. Please check for acceptance date, MEC status and confirm that if Owner Code is A, the Redate Indicator is N. These habits will ensure that there will be no issues posting the payment in the overnight batch. If you have any questions, connect with an expert for review.
- If an email titled "Change Redate to N Premium Finance Case" arrives in lifebilling@nationallife.com mailbox, change Redate to N. (Ensure to backdate that change IF it's the same day money has arrived.)

Cases that cannot be Auto Re-dated or Advance Dated

- The policy is backdated to save age.
- The policy is group or pension business.
- The policy is a Premium Finance Case.
- The policy is the result of a Term Conversion.

- If we are receiving a 1035 exchange.
- Variable life policy (starts with NL5 or NL9).
- Trad life policy.
- Annuity policy.

<u>Warning:</u> Always check the date of birth to see if the auto redate will be successful. If the auto redate would cause an age change, the redate will fail, and you will have to go back and schedule the necessary catch-up payments. Refer to <u>Nearest Age Chart</u>.

<u>Note:</u> A real-time change can only be completed if there are no other changes pending. If other changes are already pending, refer to <u>Same Date Redate.pdf</u> to back-date the CI change instead. That way, both the change and the payment can still be completed on the same day.

Using effective date on the CI3 screen to apply payments on the same-day as other changes.

See attached screen shots for visual on how to use the back-date feature and read-on for details to see scenarios where you can apply the skill.

Additional background Re: Premium Finance cases

A working group of New Business, Contract Change, Rewrites, Transfers, and Pmt Ctr assessed the causes of Premium Finance case failure in Vantage. Although it occurs only few times a year, it caused a lot of pain for field leaders who expected to see these large cases hit sales reports and instead would have delays for days.

- New Business is processing Premium Finance cases a little differently:
 - First, they're communicating with the agent that if a case is issued without money, or with partial money present, we cannot redate upon receipt of full funds. The effective date will not change.
 - Second, they're changing their processing. If their screens show the Redate indicator = Y, they are making sure that it always says N for Premium Finance cases. (However because this relies upon human entries, we have a backup plan).
- Payment Center is taking the following steps:
 - The report queries on Owner code = A, Redate = Y. If none are present, nothing is sent. If any are there, an email is sent to lifebilling@nationallife.com for correction before money arrives.
 - \circ the title of the email is "Change Redate to N Premium Finance Case" Hope this makes it very clear for folks!
 - There is an Alteryx report that runs daily in the background. It will flag any cases at risk for failure before the initial payment arrives.
 - o If for any reason pmt ctr has to make a change, they now know about the CI3 back-date screen and so can make changes same-day, as needed.
- Multiple teams are taking steps to prevent failed payments:
- Key staff to consult if any questions: Page LeBlanc, Katy Bickford, Kaitlyn Lary, Kathy Laughlin, Annie Crawford

Procedure: Auto Re-dating

This procedure explains how and when you can auto redate a policy. It assumes you understand the basics of setting DIPs. See <u>Setting DIPs</u> if you need help doing so.

Step 1: Determining if a policy can be auto redated

- 1. Review the Vantage screen, determine if the policy was issued on a certain month to save age.
 - All policies except Foundation and Provider change age six months and one day after the date of issue.
 - o Foundation and Provider change age on the anniversary
- 2. If the age will be unaffected by changing the issue date of the policy, proceed to step two.
- 3. If EFT was selected and a draft date was chosen the policy will be advanced dated to the elected draft date.
- 4. If a policy is not on EFT and is issued without money, the effective date of the policy will change to the date the initial premium is applied to the policy.

Step 2: update redate indication

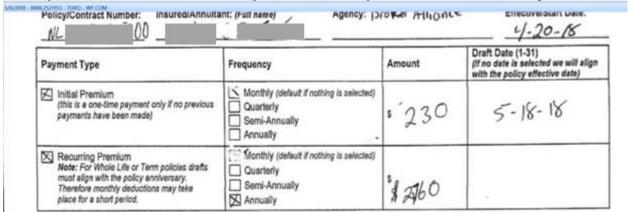
1. Pull up the policy in vantage.



2. Check that the clients age will not change.

In the above example, the client will turn 38 on May 21, so their age will not change until November 17.

In this particular case, the client has requested the initial premium be drafted on May 18.



- 3. Go to the CI3 screen and make sure the redate indicator is Y and the acceptance date is beyond the initial draft date.
 - o Acceptance date is indicated after the "Placement Period EXP Date."
 - Redate indicator on the below example is already Y, which is what you are looking for.

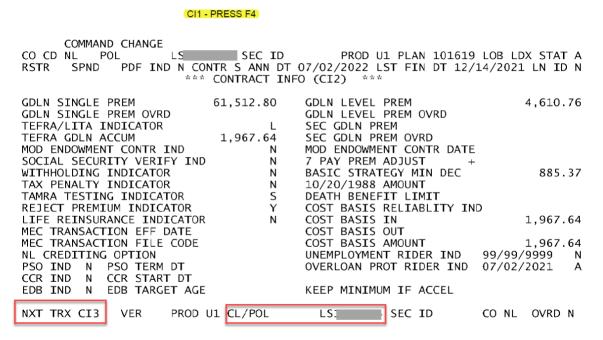
LAST STATUS CHANGE DATE 04/20/2018	LAST PREM EFFECTIVE DATE	05/04/2010
INITIAL PREM TRX DATE	PLACEMENT PERIOD EXP DATE	06/04/2018
INITIAL PREM EFFECTIVE DT	LOAN INT BILL DATE	
LAST PREM TRX DATE	NEXT COL INT CREDIT DATE	
ADDED TO FILE DATE 04/20/2018	NON CURRENT LIMIT DATE	04/20/2018
BILL/PAC EXTRACT DATE 03/20/2019	NEXT RISK PURCHASE DATE	04/20/2018
INITIAL BILL DATE	NEXT COLA DATE	
ADVANCE NOTIFY EFF DATE	ANNUAL STATEMENT DATE	04/20/2019
NEW SECONDARY ID	TMF COPY DATE	
ANNUAL STMT TRX EXTRACT CODE E	SCHEDULED DELETION DATE	
REG+ROLL+DI 0.00	PART A PART B DATE	03/21/2018
PRODUCT IND RELATED NUM	REDATE IND Y	
NXT TRX CI3A VER PROD U1 CL/POL	NL SEC ID	CO NL OVRD N
NAT TRA CISA VER PROD UI CL/POL	NE SEC ID	CO NL OVRD N

- 4. Once you've determined the acceptance date and redate indicator are okay, proceed with processing the draft.
- 5. If you need to change the redate indicator to a y.
 - o Go to Ci1 screen.
 - o Hit f4 twice.
 - Update the redate indicator from N to Y.
 - Hit f4 twice

- 6. If you need to change the acceptance date after receiving a 5230 Statement of Health.
 - o Go to Ci1 screen.
 - o Hit f4 twice.
 - Update the "placement period exp date" to a date after the initial premium will be drafted.
 - o Hit f4 twice.

Procedure: Same-Day Redates

1. Goto Mainframe and access the CI1 screen and press F4.

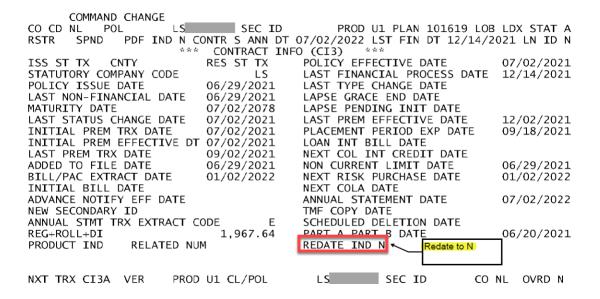


2. Review the screen to confirm Same-Date Redate can be processed.

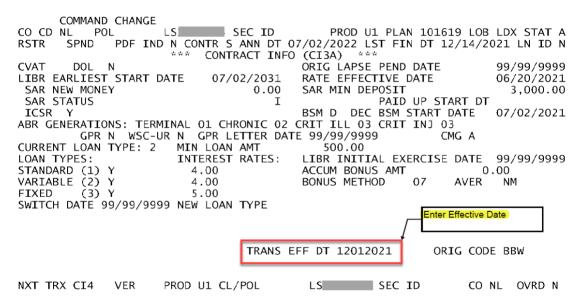
3. Enter CI3 in the NXT TRX field, policy number in the CL/POL field, then press F8.

COMMAND CHANGE CO CD NL POL LS SEC ID PROD U1 PLAN 101619 LOB LDX STAT A PDF IND N CONTR S ANN DT 07/02/2022 LST FIN DT 12/14/2021 LN ID N RSTR SPND *** CONTRACT INFO (CI2) GDLN SINGLE PREM OVRD GDLN LEVEL PREM 4,610.76 61,512.80 GDLN LEVEL PREM OVRD TEFRA/LITA INDICATOR SEC GDLN PREM TEFRA GDLN ACCUM 1,967.64 SEC GDLN PREM OVRD MOD ENDOWMENT CONTR IND MOD ENDOWMENT CONTR DATE Ν SOCIAL SECURITY VERIFY IND WITHHOLDING INDICATOR 7 PAY PREM ADJUST Ν BASIC STRATEGY MIN DEC 885.37 TAX PENALTY INDICATOR 10/20/1988 AMOUNT Ν TAMRA TESTING INDICATOR S DEATH BENEFIT LIMIT REJECT PREMIUM INDICATOR LIFE REINSURANCE INDICATOR COST BASIS RELIABLITY IND COST BASIS IN Ν 1,967.64 MEC TRANSACTION EFF DATE MEC TRANSACTION FILE CODE COST BASIS OUT COST BASIS AMOUNT 1,967.64 NL CREDITING OPTION 99/99/9999 UNEMPLOYMENT RIDER IND PSO TERM DT OVERLOAN PROT RIDER IND PSO IND N 07/02/2021 CCR IND Ν CCR START DT EDB TARGET AGE KEEP MINIMUM IF ACCEL EDB IND Ν PROD U1 CL/POL NXT TRX CI3 LS VER SEC ID CO NL OVRD N

4. Set Redate Indicator (REDATE IND) to N and press F8.



5. Enter Effective Date (TRANS EFF DT) and press F8.



Advance Dating

If EFT was selected and a draft date was chosen the policy will be advanced dated to the elected draft date.

If a policy is not on EFT and is issued without money the effective date of the policy will change to the date the initial premium is applied to the policy.

Exceptions Cases that cannot be Advance Dated or Auto Re-dated

- If we are receiving a 1035 exchange
- The policy is a TRAD life policy
- The policy is a variable life product.
- It is an Annuity contract.
- The policy is backdated to save age.
- The policy is for pension business.
- The policy is part of a Group bill.

Related Resources

• Processing Real-Time BI and CI Changes

Article Details

Last Reviewed	05/28/2024	Intended Audience	Life Inbound
Reviewed by	Jessica Veliko	Business Block	Payment Center

PUBLISHED

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