

# Understanding Policy Accounting

## Overview

This article provides a reference guide over policy accounting, primarily for research, refunds, and corrections.

## List of NLG Accounts

Section Name	Company	TRAD Account	Memo Co	Account #	Account Name/Description
Company #500 NL=National Life Life Insurance of the SouthWest			Company #560 LSW=		
<b>Returned Checks</b>	NL/LSW	0002601		266318	INS EFT Return Cks Return Cks for Policies on Trad and DIS (EFT)
	NL/LSW		78	266320	VTG EFT Ret Cks Return Cks for Vantage accounts (EFT)
	LSW			266321	Returns FAST (EFT)
	NL/LSW		RI	266428	Returned Checks (Dallas) VTG (Annuity Returned Checks)
	NL/LSW	0002877	77	266348	Personal/Clear Tran Return Cks for Vantage accounts (non-EFT)
	LSW			266349	Returned Checks for FAST products

<b>Clearing Accounts</b>	NL	0002863 *System won't allow online accounting	63	266342	Premium clearing account (Vermont)  All processed payments go through this acct
	NL	0002648		266350	UNUM Clearing  3rd party - Dis Policies Beginning with NLD
	NL/LSW		LB	266418	Premium (Dallas)  VTG (Annuity Prem Clearing account)
	NL/LSW	0002872		266125	Trad Suspense Overflow  If it is >5 suspense items
	NL/LSW			266306	A&VPS Drop Account  Pension or Variable products  No home for money
	NL			266205	Cash Received COLI  Incoming money for COLI products
<b>Dump Accounts</b>	NL/LSW	0002871		266110	Dump Account  Dump account for TRAD and DIS policies
	NL/LSW	0002880		266105	Invalid Accounting (Dump for VTG policies)
<b>New Business &amp; Contract Change Accounts</b>	NL/LSW		12	266336	NB Clearing  Vantage policies issued from New Business
	NL/LSW	0062874	47	266334	Rewrite Clearing  Rewritten policies

	NL/LSW	0002874	74	266322	Term Conversion Clearing Contract change
<b>Over/Under &amp; Refund Corrections</b>	NL/LSW	0005423	OU	470106	Over and Under for \$3 or less
	NL/LSW	0002875	75	266304	Refund/Clearing Account Used for refunds/corrections (can hold money)
	NL/LSW			470108	Loss Account  Used for fraudulent loss funds and money sent out in error that cannot be retrieved.
<b>Outgoing</b>	NL/LSW	26115	AS	266230	Auto Disbursement
	NL/LSW	0002866 or 0002869	66 or 69	266326	Disbursements  For surrenders, loans or withdrawals
	NL	0002876		266330	Cash Dividend
	NL/LSW		01	266117	Internal Exchange

## Credits vs Debits

### Suspense (PX)

Debit	Credit
( - ) Negative	( ) Blank/Positive
Takes money out of suspense	Puts money into suspense

### Clearing Accounts (EX: 0002601, 266318)

Debit	Credit
( ) Blank/Positive	( - ) Negative
Takes money out of clearing acct	Puts money into clearing acct

For more information understanding credit and debits in the context of checks, wires, refunds, and returns, refer to [Credit vs Debit tri-fold](#).

PAYING A PREMIUM ONTO POLICY = CREDIT

Lawson	442003	(45.41)	Prem-FY Collected Direct	P4
HIST	23/04/03 FIRST YEAR PREMIUM C295 0103001			45.41-

REVERSING PREMIUM FROM POLICY = DEBIT

Lawson	442003	45.51	Prem-FY Collected Direct	PP
HIST	23/03/21 23/03/22 FIRST YEAR PREMIUM C321 0103001			45.51

## Reading HIST for Trad policies

The HIST screen contains multiple options for transaction histories.

- To view field change transactions, such as frequency changes and processors' who codes, use option 2.
- To view policy accounting, use option 3.

The below 3 screenshots tell a story for this policy example.

- 7/17 - received a payment of \$194.79. It left the premium clearing account and applied to the policy "first-year premium". This is a V batch - ACH draft.

- 7/27 - the return was processed. \$194.79 left the first-year premium and went into the COM clearing account for returns. This is a G batch - Mainframe system process.
- 8/23 - received a payment of \$194.79. It left the premium clearing account and applied to the policy "first-year premium". This is an X batch - IVR payment.

23/07/17	I	PZ	23/07/13	23/06/15	FIRST YEAR PREMIUM	V171	0103001	194.79-
23/07/17	I	PZ	23/07/13	23/07/17	PREMIUM CLEARING	V171	0002863	194.79
23/07/27	I	PC	23/07/13	23/07/17	FIRST YEAR PREMIUM	G314	0103001	194.79
23/07/27	I	P9	23/07/13	23/07/27	COM CLEARING	G314	0002601	194.79-
23/08/23	I	PZ	23/07/13	23/07/27	FIRST YEAR PREMIUM	X221	0103001	194.79-
23/08/23	I	PZ	23/07/13	23/08/23	PREMIUM CLEARING	X221	0002863	194.79

23/07/17	I	PZ	23/07/13	23/06/15	FIRST YEAR PREMIUM	V171	0103001	194.79-
23/07/17	I	PZ	23/07/13	23/07/17	PREMIUM CLEARING	V171	0002863	194.79
23/07/27	I	PC	23/07/13	23/07/17	FIRST YEAR PREMIUM	G314	0103001	194.79
23/07/27	I	P9	23/07/13	23/07/27	COM CLEARING	G314	0002601	194.79-
23/08/23	I	PZ	23/07/13	23/07/27	FIRST YEAR PREMIUM	X221	0103001	194.79-
23/08/23	I	PZ	23/07/13	23/08/23	PREMIUM CLEARING	X221	0002863	194.79

23/07/17	I	PZ	23/07/13	23/06/15	FIRST YEAR PREMIUM	V171	0103001	194.79-
23/07/17	I	PZ	23/07/13	23/07/17	PREMIUM CLEARING	V171	0002863	194.79
23/07/27	I	PC	23/07/13	23/07/17	FIRST YEAR PREMIUM	G314	0103001	194.79
23/07/27	I	P9	23/07/13	23/07/27	COM CLEARING	G314	0002601	194.79-
23/08/23	I	PZ	23/07/13	23/07/27	FIRST YEAR PREMIUM	X221	0103001	194.79-
23/08/23	I	PZ	23/07/13	23/08/23	PREMIUM CLEARING	X221	0002863	194.79

**Note:** You will see 2 lines for every transaction - the money leaving one account and the money going into the other account.

- When money is applied to the policy, the money leaving the premium clearing account has a positive sign, while money going onto the policy has a negative sign.
- When money is reversed off the policy, the money leaving the policy has a positive sign, while money going into the returns clearing account has a negative sign.

## Reading Lawson Accounting History



## Accounting Activity for Policy Number: 158474800

SRCD	POSTDATE	CO	AU	ACCOUNT	AMOUNT	ACCT DESCRIPTION	TRAN	WHO	DESCRIPTION	BATCH	EFFDATE	ST
158474800												
8P	04/20/2023	500	9000000	266348	29.05	Clearing-Returned Checks		WEBRTN	WEB RETURN	V201		
8P	04/20/2023	500	9000000	266348	29.05	Clearing-Returned Checks		WEBRTN	WEB RETURN	V201		
50	04/18/2023	500	9000000	266342	29.05	Clearing-Remit Batch Pmts	PZ	B20	CASH PREMIUM PAYMENT P181 P181		20230416	FL
50	04/18/2023	502	9835000	442098	(29.05)	Premis-Renewal Clctd Direct	PZ	B20	CASH PREMIUM PAYMENT P181 P181		20230416	FL
8P	04/18/2023	500	9000000	266342	(29.05)	Clearing-Remit Batch Pmts		WEBPMT	230418	P181		
50	04/17/2023	500	9000000	266342	29.05	Clearing-Remit Batch Pmts	PZ	B20	CASH PREMIUM PAYMENT P171 P171		20230316	FL
50	04/17/2023	502	9835000	442098	(29.05)	Premis-Renewal Clctd Direct	PZ	B20	CASH PREMIUM PAYMENT P171 P171		20230316	FL
50	04/17/2023	500	9000000	266342	29.05	Clearing-Remit Batch Pmts	PZ	B20	CASH PREMIUM PAYMENT P171 P171		20230216	FL
50	04/17/2023	502	9835000	442098	(29.05)	Premis-Renewal Clctd Direct	PZ	B20	CASH PREMIUM PAYMENT P171 P171		20230216	FL
8P	04/17/2023	500	9000000	266342	(29.05)	Clearing-Remit Batch Pmts		WEBPMT	230417	P171		
8P	04/16/2023	500	9000000	266342	(29.05)	Clearing-Remit Batch Pmts		WEBPMT	230416	P171		
50	01/27/2023	500	9000000	266342	29.05	Clearing-Remit Batch Pmts	PZ	B20	CASH PREMIUM PAYMENT P271 P271		20230116	FL
50	01/27/2023	502	9835000	442098	(29.05)	Premis-Renewal Clctd Direct	PZ	B20	CASH PREMIUM PAYMENT P271 P271		20230116	FL
8P	01/27/2023	500	9000000	266342	(29.05)	Clearing-Remit Batch Pmts		WEBPMT	230127	P271		
50	01/26/2023	500	9000000	266342	29.05	Clearing-Remit Batch Pmts	PZ	B20	CASH PREMIUM PAYMENT P261 P261		20221216	FL
50	01/26/2023	502	9835000	442098	(29.05)	Premis-Renewal Clctd Direct	PZ	B20	CASH PREMIUM PAYMENT P261 P261		20221216	FL
8P	01/26/2023	500	9000000	266342	(29.05)	Clearing-Remit Batch Pmts		WEBPMT	230126	P261		
50	12/16/2022	502	9835000	442076	(147.30)	Premis-Single Dividend Adds	DA	XXX	AUTO DIV CREDIT 018		20221216	FL
50	12/16/2022	502	9835000	511815	147.30	Dividends-Adds	DA	XXX	AUTO DIV CREDIT 018		20221216	FL
50	11/15/2022	500	9000000	266342	29.05	Clearing-Remit Batch Pmts	PZ	B20	CASH PREMIUM PAYMENT P151 P151		20221116	FL
50	11/15/2022	502	9835000	442098	(29.05)	Premis-Renewal Clctd Direct	PZ	B20	CASH PREMIUM PAYMENT P151 P151		20221116	FL
8P	11/15/2022	500	9000000	266342	(29.05)	Clearing-Remit Batch Pmts		WEBPMT	221115	P151		

The highlighted fields from the above screenshot are defined below.

- SRCD - what type of payment was done

Click here to view common SRCDs and their meanings.

- AD - Check
- 4P - Web Exception
- 8P - Payment coming in/out of BankMaster (EFT, Returns)
- CL - Cash Ledger (CB20)
- JE - Journal Entry (GL40)
- ACCOUNT - Account number (see List of Accounts above)
- ACCT DESCRIPTION - details about the account being used
- TRAN - what type of transaction was processed
- WHO - May be a functional who code, such as B20, or may be an individual processor's who code. A way to easily identify returned payments.
- BATCH - how the payment was received

Click here to view common batch types and their meanings.

- Letters A through J - Mainframe system processing overnight
- P - ACH draft initiated by customer portal or app
- Q - ACH draft initiated by CEC
- S, U - group & pension payments
- K - large-group wire transfers processed in one system transaction
- T - wire transfers
- V - ACH draft initiated by NLG
- X - Automated Phone System (IVR) payments

- W, Y - lockbox checks
- Z - CER payments initiated by customer
- Numerical (4 digit) - checks

## Related Resources

- See also [Policy number formats for accounting.xlsx](#)
- See also [Batch Lettering.xlsx](#)
- See also [Outstanding Clearing Account Items](#)
- See also [Lawson User Guide](#)

## Article Details

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