

Glossary of Terms

Overview

This glossary defines terminology commonly used in Contract Change.

Glossary

Term	Definition
A02	An error report generated by the Vantage system, which lists all Vantage-One transaction errors that are not yet reconciled.
Accumulated Value	The total amount of cash value (excluding withdrawals and fees) that has accrued within the policy.
Backdating	When a transaction is recorded in the administrative system with an effective date that is in the past.
Basic Strategy	An account in which premium dollars are held until there is enough value to cover the policy expenses for the coming year. When enough premiums are accrued in the basic strategy, covering the policy expenses, then additional premium dollars will be allocated to the Interest Strategies of the policy owner's choice.
Cash Surrender Value	The accumulated value of a Universal Life policy less any policy debt, less any surrender charge, that would be paid to the policy owner in the event they surrender the policy.
Commissionable Target Premium (CTP)	The commissionable target premium amount on the policy
Cost of Insurance (COI)	Monthly charges that are automatically deducted from an Indexed Universal Insurance policy's cash value to cover the administrative costs for the coverage provided.
Fixed Universal Life Insurance	Life insurance products characterized by a crediting methodology in which a Universal Life Insurance policy accrues cash value by earning a current interest rate set by the insurance company.
Grace Period	A window of time initiated when the Cash Surrender Value is no longer sufficient to cover the monthly Cost of Insurance deductions, which ends 61 days from the initiation date.

Hyland Print Driver	A virtual print driver that appears as a standard printer in Windows applications that enables users to electronically print documents directly into OnBase.
Indexed Universal Life (IUL) Insurance	A type of permanent insurance that accrues cash value based on interest crediting strategies, which are tied to changes in a market index, such as the S&P 500. Features include a fixed death benefit, which is the face amount of the policy value; a variable death benefit, which is the face amount of the policy value plus the accumulated cash value; and a Policy Protection Period (PPP), which locks in the monthly minimum premium, keeping the policy in force, regardless of the policy's cash value.
Interest Strategies	The fixed and indexed crediting strategies chosen by the policy owner.
Lapse	The status of a life insurance policy after the 61-day Grace Period at which time the policy terminates without any value, because of the policy owner's failure to pay the required renewal premium.
Late Payment	Money submitted to cover the cost of insurance after the policy has lapsed, but before 90 days from the Next Risk Purchase Date, which is the date the Vantage system last conducted a test to ensure enough value to cover the cost of the monthly deductions.
Minimum Guarantee Premium (MGP)	The minimum premium that is due to keep various Death Benefit Protection Riders active on a life insurance policy.
Minimum Monthly Premium (MMP)	The smallest amount of money that can be paid on an Indexed Universal Life policy per month in order to maintain coverage. This is the amount required throughout the minimum payment period.
Minimum Payment Period	See also Policy Protection Period. A period during which the minimum monthly premium keeps the policy in force, regardless of what the cash value is. There's usually a set time, like 5 – 10 years, in which this period is active.
Next Risk Purchase Date	A field in Vantage that records the date on which the next monthly Cost of Insurance is deducted on a Universal Life policy.
OnBase	An information management system that stores images of all documents associated with a life or annuity file. The system stores several document types that are accessible from an associate's workstation, to investigate and track activity made on the case. Also used for various workflows.
OnBase Workflow	An electronic document routing system, which enables teams to process their work more efficiently. It represents the passing of information, documents, or tasks, from one employee or machine within the business to another.

Origin Code	A code on the A02, Vantage admin report, that identifies you as the processor of transactions. Synonymous with who code.
Pending Lapse	The status of a policy on the day that the Cash Surrender Value is no longer sufficient to cover the Cost of Insurance. The policy will remain in lapse pending until the end of the sixty-one day Grace Period.
Pending Lapse Letter	Correspondence mailed to the policy owner notifying them that their coverage is at risk of being terminated because of failure to submit the required premium.
Policy Expenses	These are the premium and expense charges of an IUL policy to cover federal and state taxes, mortality cost, administrative cost, acquisition cost including compensation paid to agents, and cost of any premium-paying riders.
Policy Owner	A person, or entity, that holds an insurance or annuity policy and has the right to exercise all its rights, privileges, and benefits therein.
Policy Protection Period	A set period, usually 5 – 10 years, that guards against fluctuation in investment performance. The policy will be kept in force even if there is no cash surrender value as long as the policy owner has paid premiums equal to the sum of the required minimum monthly premiums (MMP), adjusted for loans and withdrawals, during the Policy Protection Period.
Reinstatement	Restoration of coverage to a policy that has lapsed. A policy is eligible to be reinstated during the five-year period from the start of the Grace Period and prior to the maturity date of the policy.
Reinstatement Requirements	Proof of insurability (underwriting) that is required to reinstate coverage to a policy that has lapsed.
Rider	A supplemental benefit that can be added to a life insurance or annuity contract, allowing policy holders to customize the policy to meet their needs.
Scansoft	A software program that is a document imaging solution that converts documents into editable digital content.
Suspense	Likened to a holding tank where money is held on a policy, waiting to be processed, and viewable by anyone reviewing the SUPR or RNVI screens. Unlike a clearing account, where money is being held but is not viewable.
Suspense Amount	The amount of money that is held in suspense, which is waiting to be processed.
Suspense File List Report	A Vantage report that details payments that have been received which are being held in suspense.

Sweep Date	The 21st of each calendar month when premium dollars paid into an Indexed Universal Life (IUL) policy are transferred from the Basic Strategy account to the interest strategies chosen by the policy owner.
Trad	An administrative system that supports various Term and Whole Life products, as well as some annuity products.
Transaction Effective Date	A field in administrative systems that records the date on which a transaction made to a life insurance policy becomes effective.
Universal Life Insurance	A type of permanent life insurance that is considered to be the most flexible, which allows policy owners to adjust their face amounts and premiums as their life needs change. Features include flexible death benefits, flexible premiums, and cash value accumulation and accessibility.
Vantage (Vantage-One)	An administrative system that is divided into “product legs” and supports various types of life and annuity products. When processing late payments, users access the Vantage-One (VTG1/VTGU1) “leg”, which is accessed from an Omni session, for administering interest-sensitive products, such as Universal Life and Indexed Universal Life products including Foundation, Income Builder, AssurePlus Protector, FlexLife, PeakLife, Life Cycle Solution, SecurePlus Advantage 79, Paragon, Uniflex, Ultra, Navitrak, NL Estate Provider, Secure Plus, Harbor, Horizon, Living Life.
Variable Life Insurance	Life insurance products characterized by a crediting methodology which is based on a professionally managed portfolio of stocks, bonds, or money market accounts. Offered solely by representatives registered to offer such products through a broker/dealer by way of prospectus.
Who Code	Personal or functional code assigned by administrative systems that identifies individual users and processors and various transactions and reports.