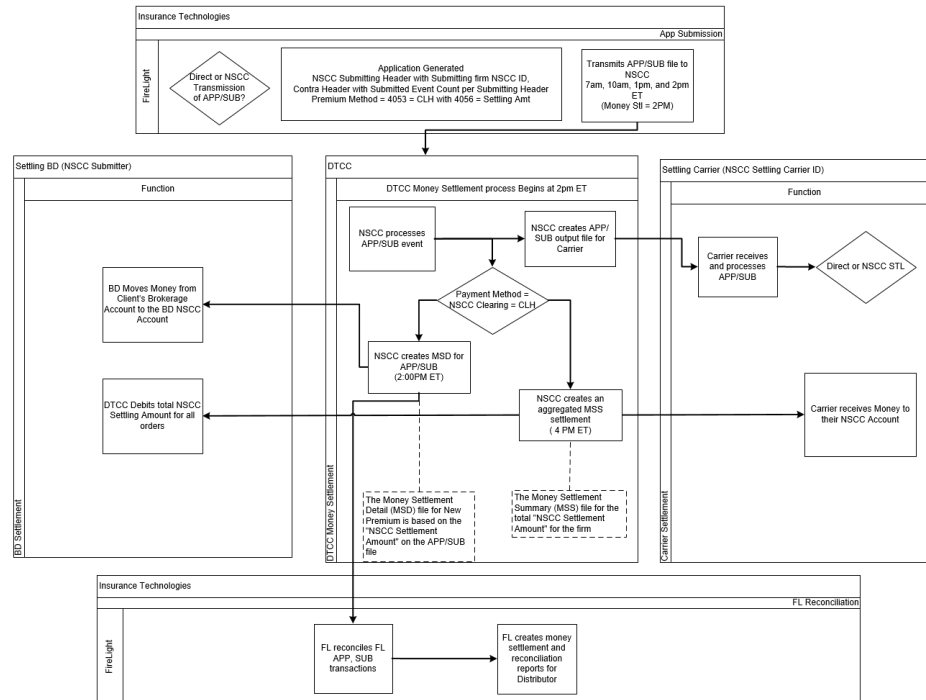# 1. Money Settlement Process

Two types of DTCC members:

1. Full Settling Member – is a DTCC approved settling member with a NSCC account
   - Distributor and Carrier both must be full settling members to use money settlement
2. DSO (Data Services Only) – can use the DTCC services but with NO money settlement

Create a new Product Level setting called DTCC Participant Code (Settling code). This will be the code used in the DTCC Contra record for the carrier settling the money.

Use the DTCC Member ID at the Organization Level as the default value. This will be the code used for the BD and will be the default for the carrier. If the carrier has a product level code, we will use that one and over-ride the organization code.

FL Access Brokerage

Last Updated: 8/21/2017 2:18 PM UTC

Mobile Configuration   Maintain Devices

Organization Name	FL Access Brokerage	Allow E-Approval	☑	Allow E-Signature ☐

Organization Name: FL Access Brokerage
Organization Type: Distributor
Country: USA
DTCC Member ID:
Full Settling DTCC Member: ☐
Company Rating:
External Map Code: FLADIST
App Signout URL Type: ThankYou
App Site Signout URL: ThankYou
Shared Key: FireLight#123
Support Email: fl-noreply@insurancetechnologies.com
Deployment Notification Email:
Edit Masks Add: None
Default Validation Placement: Left
Submit Reminder Frequency: Never
Signature Fonts: Click to Edit
Purge Uncompleted Apps: 60 days
Purge Completed Apps: 60 days
Expiration Warning Threshold: 0 days (0 for never)

Allow E-Approval ☑   Allow E-Signature ☐
Allow Client E-Fill ☑   Allow Client Fill & Sign ☐
Use Enhanced Security ☐   Allow NIGO Printing ☑
Allow Submit on E-Sign Decline ☑   Print Submitted Only ☐
Prevent Email Editing ☐   Submit on ALL Reviewer Approval ☐
Allow Branding of UI ☐   Submit on ANY Reviewer Approval ☐
Validate Identity Verification ☐   Use DMARC ☐
Enable Force Deploy ☐   Validate rule name for uniqueness ☐
Requests Timeout: 15 days (0 for never)
1228 Validity Window: 0 minutes
Authentication Timeout: 60 minutes (0 for default)
IDP Identifier: FireLightAccess
IDP Certificates (primary): Click to Edit
IDP Certificates (backup): Click to Edit
Policy Block Settings: Click to Edit
Third Party Service Config: Click to Edit
Web Service Token Secret: New
Web Service Token Certificate: Click to Edit
Web Service Token Expiration: 1 Hours

Save Organization

2. Submitting Record

INITIAL APPLICATION AND SUSEQUENT PREMIUM (APP/SUB)　　　　　　　[Main Menu]

Submitting Header - Mandatory for both APP and SUB

Start	End	Length	Type	Field Name	Description	Item #	Required Indicator	Reject Code
1	1	1	A/N	System Code	B= Broker		R	001
2	3	2	A/N	Record Type	30		R	002
4	33	30	A/N	Transmission Unique ID		4002	R	005
34	41	8	D	Transmission Date	CCYYMMDD	4003	R	100
42	45	4	A/N	Transmitting Company Identifier	Possibly a Service Bureau	4005	R	018
46	80	35	A/N	Transmitting Company Name		4006	O	
81	84	4	A/N	Submitter ID (Settling Firm)	Initiating Company	4007	R	003
85	119	35	A/N	Submitter Name (Settling Firm)		4009	O	
120	123	4	A/N	Associated Firm ID		4010	O	
124	129	6	A/N	Filler	Spaces			
130	164	35	A/N	Associated Firm Name		4011	O	
165	167	3	A/N	IPS Business Code	PRM	*	R	004
168	179	12	N	Total Record Count	9(12)	**	R	006
180	180	1	A/N	Production/Test Indicator	T or P	4004	R	008
181	288	108	A/N	Filler	Spaces			
289	300	12	A/N	File Level Reject Code	X(03) Occurs 4 times	4019		

Note:
* IPS Business Code should always be "PRM".
** Total Record Count, is the number of physical records for the file, including the submitting header, and up to the next submitting header. If submitting more than one "30" record, the Total Count should be reset

4002 Transmission Unique ID Format is:　　　Submitters NSCC I.D.　　XXXX
　　　　　　　　　　　　　　　　　　　　　　Date Submitted　　　　YYYYMMDD
　　　　　　　　　　　　　　　　　　　　　　Time Submitted　　　　HHMMSS
　　　　　　　　　　　　　　　　　　　　　　Literal　　　　　　　　0001
　　　　　　　　　　　　　　　　　　　　　　Filler　　　　　　　　Spaces

Reject Code:
077 Participant Not Yet in Effect
078 Participant Expired on Participant Profile

- We have to change how we use the Submitting record. Today, Insurance Technologies is the Submitter ID and we send our clients as the Associated Firm ID.
- When using Money settlement, the submitting ID must be an NSCC settling member. That means that IT cannot be the Submitting ID. We can be the transmitting Company Identifier b/c we are a Service Bureau. The Participant number of BD, that is a NSCC settling firm, will be the Submitter ID (4007)
  - Any firm (BD or Carrier) that wants to use the DTCC Money Settlement must be setup at the DTCC as a Full Settling Member. We can confirm with them for the BD interested. If they are already set-up, then they are all set. If not, the BD or Carrier will need to go through the process of being vetted by the DTCC.
- Using the BD Submitter ID will change the transmission Unique ID b/c it includes the submitting ID

3. Contra Record

INITIAL APPLICATION AND SUSEQUENT PREMIUM (APP/SUB)

Contra Header - Mandatory for both APP and SUB

Start	End	Length	Type	Field Name	Description	Item #	Required Indicator	Reject Code
1	1	1	A/N	System Code	B= Broker		R	001
2	3	2	A/N	Record Type	32		R	002
4	7	4	A/N	Receiver/Settling Carrier ID		4012	R	003
8	42	35	A/N	Receiver/Settling Carrier Name		4014	O	
43	46	4	A/N	Receiving Company Identifier	Possibly a Service Bureau		R	021
47	81	35	A/N	Receiving Company Name			O	
82	84	3	A/N	Business Event Code	APP or SUB	4001	R	009
85	94	10	N	Submitted Event Count		4015	R	011
95	104	10	N	Delivered Event Count		4016	R	012
105	107	3	A/N	Output File Type		4326	O	
108	288	181	A/N	Filler	Spaces			
289	300	12	A/N	Reject Code	X(03) Occurs 4 times			

Note:
- 4012 The Identifier of the Receiving Company. Must have a valid NSCC Particpant ID.
- 4014 The Identifier of the Settling Carrier. Must have a valid NSCC Particpant ID.
- 4001 Event Code should be "APP" for Initial APP or "SUB" for Subsequent Premium from Participant's input file.
- 4015 Received event count on Input file. Should be number of 33-01 or 35-01 records under contra header.
- 4016 Delivered Event Count must have a value of zeros. Populated by the NSCC ONLY, to reflect the number of APP Contracts delivered by NSCC.
- 4326 Output File Type must be spaces on input. Populated by the NSCC ONLY on output.

Reject Code:
- 071 Invalid Trading Partnership
- 077 Participant Not Yet in Effect
- 078 Participant Expired on Participant Profile

- Settling Carrier ID: We will need to have the Carrier NSCC codes in our Selling Agreements to correctly send the carrier code.
    - The carriers that are receiving the DTCC Settling transactions must also be a DTCC settling firm.
    - We need an indicator in our database to denote if the Carrier is a settling firm. If not, they cannot use the CLH Premium Method.
- 1 Contra header for each settling carrier ID but the Submitted Event count must be unique per submitting header; so, we will need to change our logic on the total event count, 4015 will need to count per submitting header

4. Payment Method

Main Menu

Premium Method Record - Mandatory for both APP and SUB

Start	End	Length	Type	Field Name	Description	Item #	APP Required Indicator	SUB Required Indicator	Reject Code	Standard Usage
1	1	1	A/N	System Code	B= Broker		R	R	500	
2	3	2	A/N	Record Type	33 (APP) 35 (SUB)		R	R	500	
4	5	2	A/N	Sequence Number	04		R	R	500	
6	25	20	A/N	Application Control Number		4020	R	R	101	
26	45	20	A/N	Premium Control Number		4057	R	R	053	
46	48	3	A/N	Premium Method	See code list.	4053	R	R	126	* See Standard Usage
49	65	17	A/N	Filler	Spaces					
66	81	16	N	Premium Method Commission Amount Retained	9(14)V9(02)	4055	O	O	129	
82	82	1	A/N	Filler	Spaces					
83	112	30	A/N	Distributor Transaction Id Number		4061	O	O		
113	115	3	A/N	Transaction Level Stage Code	See code list.	4058	R	R	131	
116	118	3	A/N	Filler	Spaces					
119	134	16	N	NSCC Payment Settlement Amount	9(14)V9(02) Zeros acceptable	4056	R	R	133	
135	137	3	A/N	Account Type	See Code List	4253	O	O	239	
138	149	12	A/N	ABA Routing Number		4254	O	O		
150	184	35	A/N	Financial Institution Name		4255	O	O		
185	204	20	A/N	Account Number	Must Send if 4253 filled	4256	O/C	O/C	234	
205	239	35	A/N	Account Name		4257	O	O		
240	249	10	A/N	Check Number		4258	O	O		
250	265	16	N	Non NSCC Payment Settlement Amount	9(14)V9(02) Zeros acceptable	4259	O	O	314	
266	288	23	A/N	Filler	Spaces					
289	300	12	A/N	Reject Code	X(03) Occurs 4 times					

**Please note that the Commission retained amount is not calculated.

Note: 4057 Premium Control Number Format is:

Bytes 1 - 4	Submitters NSCC I.D.	XXXX
5	Century Digit	Y
6	Decade Digit	Y
7	Last Digit of Year	Y
8-10	Ordinal Date	JJJ
11-20	Sequential Number	SSSSSSSSSS

Ordinal Date cannot be more than +1 business day from current date.

4058 Transaction Level Stage Code must match the value of #4058 on the 33-01 or 35-01 Record.

4056 This is a Mandatory field and Zeros are an acceptable value. If either of the sender or receiver is a DSO member, then this field MUST be equal to Zeros.

4256 If #4253, Account Type is filled, then 4256 is Mandatory. If 4253 is spaces, then 4256 should be spaces.

4056 If NSCC Settlement Amount (4056) is greater than zero, than 4053 must be CLH.

4056/ 4259 If 4053 is CLH then 4056 must be greater than zero and 4259 must be equal to zero.

Reject Code:
079	Duplicate Premium Control Number #4057
283	Invalid NSCC Settlement Amt for DSO Membership – Must be Zero.
368	Invalid Premium Method, Must be CLH when NSCC Settlement Amount greater than zero.
466	Premium Method field does not match settlement amounts/types

- Put code/indicator in the settlement agreement to denote which firms and agreements can settle money with the DTCC. This will ensure that both the BD and the Carrier are settling members. It is very normal to have a BD use money settlement for most of the carriers but 1 carrier may not be setup. That 1 carrier, cannot receive transactions that have money settlement or the file will reject. (error code 283)
- For the settling amount, ensure the Premium Method is CLH. And, complete the required 4056 Payment Settlement Amount.
- Non- settlement must be zero for that premium record
- A client will often fund the contract with multiple payment methods. That is still possible with money settlement but for the NSCC settling amount, that should all be in 1 premium record.
  - Looping supports up to 20 - 04 records
- Commission netting is not mandatory

5. Additional Files for FL to Process (MSD)

- Money settlement detail file (MSD) - This report is sent daily at 2:00ET and lists every application and the amount they are going to settle. This is used to confirm Money settlement and we need to update the status to represent that the money settlement occurred. Money settlement happens at 2:00 ET.
    - Firms need to know if the money is settling so they can ensure that they sweep the money from the BD Brokerage account into the DTCC settling account.
- End of day - DTCC sends Money Settlement Summary (MSS file) at the end of the day, 4pm ET. This file could go to us and the BD. This is letting the BD know that the DTCC is going to hit their bank account.
    - The DTCC will send the MSS file to the BD daily at 4. This is how they know the aggregated amount for how much will be debited from their NSCC account.

6. DTCC Connectivity

- DTCC Connectivity Changes. We Do NOT have to be on the SMART Network to support Money Settlement. WE are using the ATT Vanera. It is cheaper b/c we are sharing in the cost for the dedicated line.
    - (We will have to be on the SMART Network if we want to use any web service messages to the DTCC, like Post Issue or real-time attachments)
    - If we change to the Smart Network, it is our own dedicated T1. And that may help prevent file backlog but the DTCC noted that if we send our App files all 4 available times: 7, 10, 1, 2 , then we will not have a backlog until our volume is much larger.
    - So, they recommend, sending the app files all 4 available times 7am, 10am, 1pm, and 2pm ET.
    - And, We should back the 2pm ET file up 20 minutes (1:40pm ET) to ensure we meet the 2:00 cutoff.
- Money Settlement is processed at 2ET. If our file gets there at 2:01pm ET, we would not be included in that day's Money Settlement

7. BD questions to ask during implementation:

Settlement Options

My firm's business is carrier settled and is therefore dependent upon the payment methods they accept. We will confer with our carriers and understand they control the options available to us. We would, however, LIKE to accept the methods and forms marked to the right.	**Money Forms** (Choose all that should be available)	
	☐	New Money
	☐	Rollovers
	☐	Transfers

	Payment Methods (Choose all that should be available)			
		New Money	**Transfer**	**Rollover**
Note that not all payment methods are compatible with all money forms.	Check to Carrier	☐		* ☐
	ACH to Carrier	☐		* ☐
	Insurance Exchange	☐ _1035	☐	☐
	CD Redemption	☐	☐	☐
	Mutual Fund Redemption	☐	☐	☐
	Other Non-Insurance Redemption	☐		☐
	DTCC Settled	☐		☐
	Indirect funding source			

Insurance Technologies

FireLight

```
      Direct or NSCC
      Transmission
      of APP/SUB?
```

Application Generated
NSCC Submitting Header with Submitting firm NSCC ID,
Contra Header with Submitted Event Count per Submitting Header
Premium Method = 4053 = CLH with 4056 = Settling Amt

Transmits

7am, 10a

(Mone

Settling BD (NSCC Submitter)

Function

BD Settlement

BD Moves Money from
Client's Brokerage
Account to the BD NSCC
Account

DTCC Debits total NSCC
Settling Amount for all
orders

DTCC

DTCC Money Settlement process Begins at 2pm ET

NSCC processes
APP/SUB event

NSCC creates APP/
SUB output file for
Carrier

```
      Payment Method =
      NSCC Clearing = CLH
```

NSCC creates MSD for
APP/SUB
(2:00PM ET)

NSCC creates an
aggregated MSS
settlement
(4 PM ET)

DTCC Money Settlement

The Money Settlement
Detail (MSD) file for New
Premium is based on the
"NSCC Settlement
Amount" on the APP/SUB
file

The Money Settlement
Summary (MSS) file for the
total "NSCC Settlement
Amount" for the firm

Insurance Technologies

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FL reconciles FL
APP, SUB
transactions

FL creates money
settlement and
reconciliation
reports for
Distributor