

---

## **DTCC enhances Licenses & Appointments service**

---

By Editor Test      *Wed, Apr 20, 2011*

---

*The changes, which are intended to help centralize the verification of completed mandated training, will roll out later this month.*

---

The Depository Trust & Clearing Corporation (DTCC) is developing an enhancement to its Licensing & Appointments (LNA) service that will help carriers track and confirm if agents have been trained and certified to sell their specific annuity products.

These enhancements, which will help centralize the verification of completed mandated training, will roll out later this month. LNA is one of the core automation solutions from DTCC's Insurance & Retirement Services (I&RS) business.

The changes are driven by the *Suitability in Annuity Transactions Model Regulation* introduced last year by the National Association of Insurance Commissioners. All agents must now take a four-hour certification course on the fundamentals of annuities, as well as complete product-specific training from carriers for which they solicit annuities. Each state law has its own specific requirements and training deadlines, and will set its own effective date.

### **Twenty states adopt annuity education requirements**

Eleven states/jurisdictions have adopted regulations requiring further annuity education, including California, Colorado, District of Columbia, Florida, Iowa, Ohio, Oklahoma, Oregon, Rhode Island, Texas, and Wisconsin. Nine more states have proposed regulations. Iowa was the first state to mandate regulations, beginning Jan. 1, 2011, and others are scheduled beginning second quarter, 2011.

"Customers on our Senior Advisory Board approached us with this issue late last September," said Adam Bryan, managing director, I&RS. "The looming 2011 deadline posed a serious challenge for the industry, since carriers really had no way to centralize the verification of this producer training.

"We saw an immediate fit within LNA, our service that automates and standardizes the two-way flow of information needed to manage producer authorization information between insurance carriers and distributors. We quickly formed a customer task force, and started to work through how we could accommodate these new data requirements with a service enhancement to LNA."

## **Phase I Enhancements**

In Phase I of the project, which will be fast-track tested for two weeks in April, I&RS has built enhancements to LNA that can take a standardized delimited data file feed from the education vendors who provide this producer training, and translate into the industry-standard LNA format. The new data fields built into the LNA system will then be able to accommodate this training data, so carriers can quickly verify if the agents have been trained and certified.

Some distributors and carriers are using vendors to support their training efforts. The vendors are not required to become members of DTCC's subsidiary, the National Securities Clearing Corporation (NSCC). They will also not be charged to provide training completion data, nor are required to actually build LNA.

"We wanted to eliminate any possible barriers for the vendors to engage with us," said Lana Macumber, director, I&RS Strategy and Business Development.

In the next stage of the project, I&RS will extend these enhancements to the LNA Access Platform, the standalone online reporting tool that distributors use to enter, edit, and retrieve various sets of pre-defined required licensing and appointment data.

DTCC is currently working with seven education vendors, including Kaplan, PinPoint (partnering with LIMRA), QuestCE, RegEd (partnering with IRI), Sircon, SuccessCE (partnering with NAFA), and WebCE.

## **Phase II Enhancements**

In the next phase of the project, targeted for early 2012, I&RS hopes to provide real time producer authorization messaging for point-of-sale and transaction processing. By leveraging ACORD XML for producer authorizations, I&RS would be able to navigate these messages to and from requestor to end carrier.