Coding Instructions for Guaranteed Issue/Simplified Issue Policies

All Items in the format are required except where a blank is specifically allowed. The files submitted should contain the data for one Observation Year with the Observation Year in the name. Also, send a translation table for all internal plan codes used in Item 34.

Item 1 – Company Code:

Company Code is a unique code assigned to you by MIB Solutions to label your data and all reports. If you do not know your Company Code, please contact Jan Palmbach, 781-751-6128, jpalmbach@mib.com, in order to be assigned a code.

Item 2 – Observation Year:

Observation Year is the calendar year represented in the file. Each file should hold only one Observation Year and one company. Each Observation Year should contain all policies that were in force at any time during that calendar year and all terminations that happened during that year.

Item 3 - Policy Number:

Policy Number is a unique key assigned by you to a policy that your company can use to trace each policy reported in the submitted data back to the actual policy data. This is a unique key that needs to remain constant during the data gathering process.

Item 4 – State of Issue:

Use the standard 2 letter state abbreviation for the state in which the policy was issued.

Item 5 – Gender:

Gender indicates the gender of the insured of the policy. Unisex male and unisex female indicate situations where the gender of the person is known but the policy is unisex. Enter a '0' or '5' only if the gender is unknown.

Item 6 – Date of Birth:

Date of Birth should be entered in YYYYMMDD format.

Item 7 – Age Basis:

Age Basis represents the age basis that your company uses to issue policies. If the age of the insured at the issued date is determined by their age nearest birthday, enter '1'. If the age of the insured at the issued date is determined by their age last birthday, enter '2'. If the age of the insured at the issued date is determined by their age next birthday enter '3'.

Item 8 – Issue Age:

Issue Age should be the age of the policyholder at issue, using the age basis identified in Item 7.

Item 9 – Issue Date:

Issue Date should be entered in YYYYMMDD format.

Item 10 – Tobacco/Smoker Status (at issue):

Tobacco/smoker status should be submitted where reliable. If the tobacco/smoker status cannot be reliably determined, enter '0'. For policies where tobacco/smoker status is not collected, use '3' for unismoker. Any nicotine usage should be classified as tobacco/smoker.

Item 11 – Type of Underwriting:

Type of Underwriting is to reflect the underwriting done at the issue of the policy. In many cases this would be coded either '1' or '2', Guaranteed Issue or Simplified Issue.

If the policy was issued as a result of a term conversion, enter '3'. If the policy was issued as the result of a conversion from a group policy, enter '4'.

Item 12 – Substandard Indicator:

If substandard business is written for this plan, enter '1' or '2' as applicable. If it is unknown or no substandard business is written for this plan, enter '0'.

Item 13 – Insurance Type:

The insurance Type represents the general type of insurance the specific plan belongs to. Items 13-18 are used to describe exactly the type of plan in which the policy is written.

Item 14 – Interest Sensitivity:

Interest Sensitivity specifies how a policy is affected by changes in the interest rate. Please code traditional whole life and term plans as fixed.

Item 15 – Death Benefit Pattern:

Death Benefit Pattern shows how death benefits vary over time.

'1' – Level including increases due to corridor is intended for policies that have a level death benefit for the life of the policy (includes corridor increases or option B increases in Universal Life).

'2' – Modified Death Benefit is intended for policies that have an initial death benefit that is limited for a number of years before reaching the ultimate amount. An example for this is where the death benefit is 50% for the first 2 years of the policy and goes up to 100% from the third year.

'3' – Increasing is intended for policies that have death benefits that increase by duration. An example of this is when the policy has a return of premium included in the death benefit. Here the face amount is increased by the amount of premiums that have been paid so far.

'4' – Decreasing is intended for policies that have death benefits that decrease by duration. An example of this is for a policy that is issued to cover the outstanding balance on a mortgage loan.

'5' – Other is intended for use when a policy does not fit the preceding categories.

Item 16 – Death Benefit Pattern Years:

Death Benefit Pattern Years is required if Death Benefit Pattern (Item 15) is coded as modified death benefit, increasing or decreasing, '2', '3' or '4'. If item 15 is coded as '2', enter the length of the modified death benefit. If item 15 is coded as '3' or '4', enter the length of time that the death benefit is increasing or decreasing; if the pattern of increase or decrease continues for the life of the policy, then enter '99'. Otherwise, enter '00'.

Item 17 – Premium Pattern:

Premium Pattern provides a general description of premium payments over the life of the policy.

Item 18 – Premium Pattern Years:

Premium Pattern Years varies depending upon what is coded in Premium Pattern (Item 17).

- If the Premium Pattern (Item 17) is unknown or a single premium, '0' or '1', enter '00' in this field as it does not apply.
- If the Premium Pattern (Item 17) is a Level Modal Premium, '2', enter '99' in this field.
- If the Premium Pattern (Item 17) is a Graded Premium followed by a Level period, '3', enter the number of years the premium is graded before it turns level.
- If the Premium Pattern (Item 17) is Level then Graded, '4', enter the number of years the premium is level before it enters the graded period.
- If the Premium Pattern (Item 17) is Renewable Term Based on Attained Age, '5', enter the number of years in each level premium band (e.g., '01','0 5', '10', '15', '20').
- If the Premium Pattern (Item 17) is Renewable Term Based on Issue Age, '6', enter the number of years in each level premium band (e.g., '01','05', '10', '15', '20').
- If the Premium Pattern (Item 17) is Limited Pay Premium, '7', enter the number of years the premiums are paid.
- If the Premium Pattern (Item 17) is Paid-up at a Specific Age, '8', enter the age at which the policy is paid-up.
- If the Premium Pattern (Item 17) is Other, enter blank.

Example - If Premium Pattern (Item 17) is '5', based on attained age, such as 50, and Premium Pattern Years (Item 18) is '5', an example is where a policy is issued at age 42, and at 50 it becomes level for 5 years, and at 55 becomes level again for another 5 years, and so on.

Example - If Premium Pattern (Item 17) is '6', based on issue age, and Premium Pattern Years (Item 18) is '5', an example is where the policy is issued at 42 with level rates until 47, then level again until 52, and so on.

Item 19 – Inforce Indicator:

If the policy was inforce at the end of the observation year, enter '1'. If the policy was terminated during the observation year, enter '0'. Policies issued after the observation year or terminated prior to the observation year should not be submitted.

If '0' is entered, the Termination Date (Item 26) and Cause of Termination (Item 27) are required. If '1' is entered, the Termination Date (Item 26) and Cause of Termination (Item 27) must be blank.

Item 20 – Face Amount at Issue:

Face Amount at Issue should be entered as the initial benefit at policy issue rounded to nearest dollar. Leave blank if not available. For policies that have a constant number of units for all policy durations but vary the dollar value of the unit over different policy durations, leave blank.

Item 21 – Face Amount of Insurance at End of Observation Year:

Face Amount of Insurance at End of Observation Year should be entered as the benefit at the end of the observation year or the date of termination for terminated policies, rounded to nearest dollar. For policies that have a constant number of units for all policy durations but vary the dollar value of the unit over different policy durations, leave blank.

Item 22 – Ultimate Face Amount of Insurance:

Ultimate Face Amount should be entered as the benefit at policy maturity. Leave blank if units are used.

Item 23 – Number of Units:

If you filled in items 20, 21 and 22, then leave this blank.

For policies that have a constant number of units for all policy durations but vary the dollar value of the unit over different policy durations, fill out the number of units. For example, company ABC may have a plan issued from 2000 to 2005 where the unit has a value of $200 for the first two policy durations; the unit has a value of $500 for the third to fifth policy duration and the unit value has a value of $1000 for the sixth policy duration onward – the ultimate duration.

The number of units is the ultimate face amount divided by 1000, rounded to the nearest integer.

Leave blank if the policy is not the type that has the number of units as a constant over all policy durations but vary the dollar unit over different policy durations,

Item 24 – Death Claim Amount:

Death Claim Amount is required if Inforce Indicator (Item 19) is equal to '0', the Cause of Termination (Item 26) is not blank and amounts are coded (Items 20, 21 and 22). This should not include any claim expenses or interest required by the state of domicile.

Item 25 – Death Claim Units:

Death Claim Units is required if Inforce Indicator (Item 19) is equal to '0', the Cause of Termination (Item 26) is not blank and units are coded (Item 23). Otherwise leave blank.

Item 26 – Termination Date:

Termination Date is required for all terminated policies, where Inforce Indicator (Item 19) is equal to '0' and the Cause of Termination (Item 27) is not blank. Otherwise leave blank.

Item 27 – Cause of Termination:

Cause of Termination is required for all terminated policies, where Inforce Indicator (Item 19) is equal to '0'.

Item 28 – Pre-Need Indicator:

Preneed insurance is any life insurance policy or certificate that is issued in combination with, in support of, with an assignment to, or as a guarantee for prearrangement agreement for goods and services to be provided at the time of and immediately following the death of the insured. Goods and services may include, but are not limited to embalming, cremation, body preparation, viewing or visitation, coffin or urn, memorial stone and transportation of the deceased. The status of the policy or contract as preneed insurance is determined at the time of issue in accordance with the policy form filing.

Item 29 – Distribution Channel:

Distribution Channel designates who services the policy. If multiple distribution channels are used, code the primary distribution channel.

Item 30 – Distribution Method:

Distribution Method designates how the policy was solicited. If multiple distribution methods are used, code the primary distribution method used. It should only be coded if Distribution Channel (Item 29) is '4'.

Item 31 – Applicant Type:

Applicant Type designates whether the policy is an individual policy or, if the applicant is part of a group policy, what group the applicant is part of.

Item 32 – Premium Mode:

Premium Mode designates how often the premiums are paid each policy year. For single premium policies, enter '7'.

Item 33 – Payment Type:

Payment Type designates the manner in which premiums are paid.

Item 34 – Plan Code:

Plan Code is either an internal company code in the record or other easily obtainable code that indicates the type of plan. This will be used for validation purposes only. Send a translation table for your codes along with your data.

Examples

1) Modified Death Benefit, where the death benefit for other than accidental deaths in the first several years is a multiple (e.g., 115%) of premiums paid, and the death benefit is level after these first several years.

a)

Observation Year	2010
Issue Age	55
Issue Date	20090601
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	02
Premium Pattern	2 – Level Modal
Premium Pattern Years	99
Face Amount At Issue	Leave blank
Face Amount At End Of Observation Year	546.25 or blank
Ultimate Face Amount	10000 or blank
Number of Units	10 or blank

b)

Observation Year	2010
Issue Age	55
Issue Date	20080601
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	02
Premium Pattern	2 – Level Modal
Premium Pattern Years	99
Face Amount At Issue	10000 or blank
Face Amount At End Of Observation Year	10000 or blank
Ultimate Face Amount	10000 or blank
Number of Units	10 or blank

2) Combination of a decreasing term benefit to age 65 and level death benefit whole life, with level premiums from issue to age 65 and then a lower level premium to age 100.

a)

Observation Year	2010
Issue Age	55
Issue Date	20020601
Death Benefit Pattern	4 - Decreasing
Death Benefit Pattern Years	10
Premium Pattern	9 - Other
Premium Pattern Years	Leave blank
Face Amount At Issue	16000 or blank
Face Amount At End Of Observation Year	11000 or blank
Ultimate Face Amount	10000 or blank
Number of Units	10 or blank

3) A value per unit of $200 for the first two policy years, $500 for years 3 to 5 and $1000 thereafter.

a)

Observation Year	2010
Issue Age	55
Issue Date	20080601
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	05
Premium Pattern	2
Premium Pattern Years	99
Face Amount At Issue	2000 or blank
Face Amount At End Of Observation Year	5000 or blank
Ultimate Face Amount	10000 or blank
Number of Units	10 or blank

4) Death Benefits during the first two years 110% of the Paid Premiums and units are used.

a)

Observation Year	2008
Issue Age	65
Issue Date	20080515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	02
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	Leave blank
Face Amount At End Of Observation Year	Leave blank
Ultimate Face Amount	Leave blank
Number of Units	5

b)

Observation Year	2009
Issue Age	65
Issue Date	20080515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	02
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	Leave blank
Face Amount At End Of Observation Year	Leave blank
Ultimate Face Amount	Leave blank
Number of Units	5

c)

Observation Year	2010
Issue Age	65
Issue Date	20080515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	02
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	Leave blank
Face Amount At End Of Observation Year	Leave blank
Ultimate Face Amount	Leave blank
Number of Units	5

5) Death Benefits during the first two years 110% of the Paid Premiums and amounts are used.

a)

Observation Year	2008
Issue Age	65
Issue Date	20080515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	02
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	285 (duration from 5/15/08 to 12/31/08 = 7 months * monthly premium * 1.1 and then rounded to the dollar)
Ultimate Face Amount	5000
Number of Units	Leave blank

b)

Observation Year	2009
Issue Age	65
Issue Date	20080515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	02
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	773 (duration from 5/15/08 to 12/31/09 = 19 months * monthly premium * 1.1 and rounded to the dollar)
Ultimate Face Amount	5000
Number of Units	Leave blank

c)	Observation Year	2010
	Issue Age	65
	Issue Date	20080515
	Death Benefit Pattern	2 – Modified Death Benefit
	Death Benefit Pattern Years	02
	Premium Pattern	2 – Level Modal Premium
	Premium Pattern Years	99
	Face Amount At Issue	5000
	Face Amount At End Of Observation Year	5000 (duration from 5/15/08 to 12/31/10 = 31 months is above the 24 months of reduced DB)
	Ultimate Face Amount	5000
	Number of Units	5

6) Death Benefits during the first three years are 20%, 40% and 80% respectively of $5,000 and units are used.

a)

Observation Year	2007
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	03
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	Leave blank
Face Amount At End Of Observation Year	Leave blank
Ultimate Face Amount	Leave blank
Number of Units	5

b)

Observation Year	2008
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	03
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	Leave blank
Face Amount At End Of Observation Year	Leave blank
Ultimate Face Amount	Leave blank
Number of Units	5

c)

Observation Year	2009
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	03
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	Leave blank
Face Amount At End Of Observation Year	Leave blank
Ultimate Face Amount	Leave blank
Number of Units	5

7) Death Benefits during the first three years are 20%, 40% and 80% respectively of $5,000 and amounts are used.

a)

Observation Year	2007
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	03
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	1000 (5,000*.2) (duration from 5/15/07 to 12/31/07 = 7 months i.e. this is the first policy year)
Ultimate Face Amount	5000
Number of Units	Leave blank

b)

Observation Year	2008
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	03
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	2000 (5,000*0.4) (duration from 5/15/07 to 12/31/08 = 19 months i.e. this is the second policy year)
Ultimate Face Amount	5000
Number of Units	Leave blank

c)

Observation Year	2009
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	03
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	4000 (5,000*0.8) (duration from 5/15/07 to 12/31/09 = 31 months i.e. this is the third policy year)
Ultimate Face Amount	5000
Number of Units	Leave blank

d)

Observation Year	2010
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	2 – Modified Death Benefit
Death Benefit Pattern Years	03
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	5000 since the policy duration at the end of the year is beyond the 36 month graded death benefit
Ultimate Face Amount	5000
Number of Units	Leave blank

8) Universal Life Option B (FA+AV).

a)

Observation Year	2010
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	3 - Increasing
Death Benefit Pattern Years	99
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	50000
Face Amount At End Of Observation Year	needs to be calculated
Ultimate Face Amount	Leave blank
Number of Units	Leave blank

9) par Whole Life, dividends buying OYT

a)

Observation Year	2010
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	5
Death Benefit Pattern Years	99
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	needs to be calculated
Ultimate Face Amount	5000
Number of Units	Leave blank

10) Whole Life with some inflation adjustment

a)

Observation Year	2010
Issue Age	65
Issue Date	20070515
Death Benefit Pattern	3 - Increasing
Death Benefit Pattern Years	99
Premium Pattern	2 – Level Modal Premium
Premium Pattern Years	99
Face Amount At Issue	5000
Face Amount At End Of Observation Year	Leave blank
Ultimate Face Amount	Leave blank
Number of Units	Leave blank