

August 14, 1998; Updated 12/16/03 for instructions on coding for TPX addenda and on 1/23/04 to clarify payment information format in record 7 addenda; updated 1/31/05 for clarification of prenote test. Revised 11/30/06

CCD+ Electronic Funds Transfer for New Hampshire Insurance Department

Contents this document: (This document has layout for **CCD+** type payment see NHID_EFT_CTX.pdf for CTX Format instructions). We accept our own defined addendum format and TPX banking convention addendum format as defined by the Bankers EDI Council.

This page Ground rules

Page 2–3 About ACH Credit option

Page 4–6 ACH Record formats & content

Page 7 Glossary

New Hampshire Insurance Department (NHID) EFT Account

Will be “Deposit Only” to the Zero Balance Account for the New Hampshire Insurance Department.

To Participate:

- Be licensed company or company group representative or surplus lines broker.
- Have software for Automated Clearing House (ACH) Format, including CTX record and addenda format ability. Or CCD+ record and addenda format ability.
- Have sent contact data to Norma.Stallings@ins.nh.gov. or Donna.Arcand@ins.nh.gov : Contact Name,-the individual who represents the Company or Group, Mail Address / Daytime phone / Email Address.
- For payment of other types of fees; send contact data to Theodore.PerkinsJr@ins.nh.gov
- Please report any change in Contact Data as soon as possible by same method

WHAT PAYMENT METHODS ARE ALLOWED?

Current payment method accepted is the ACH Credit. Should an emergency arise which prevents a payment from being transmitted please call the Insurance Department at (603) 271- 2261.

WHEN DO I MAKE OR ORIGINATE A PAYMENT?

EFT does not change any existing requirements of New Hampshire state law. To be considered timely, your tax payment must be deposited into the state's bank account by the payment due dates. Each financial institution and the Federal Reserve have different processing deadlines. You must check with your financial institution to determine when you should originate your payment so that it will be deposited to the state's account by the required due date to avoid the imposition of penalties. It is generally recommended that the ACH Credit transaction be initiated two days prior to the effective date (due date) of the transaction. Because of timeliness requirements NHID strongly recommends testing.

AUTOMATED CLEARING HOUSE (ACH) CREDIT

WHAT IS THE ACH CREDIT OPTION?

The ACH Credit method allows you to transfer funds by instructing your financial institution (technically referred to as the "Originating Depository Financial Institution") to debit your account and to credit the state's bank account.

IS THERE A COST FOR ACH CREDIT?

You must pay the fees charged by your financial institution for any setup costs and for each ACH Credit transaction initiated.

ARE THERE SPECIFIC RECORD FORMATS?

In order to report your payment correctly, your financial institution must originate your payments using Cash Concentration of Disbursement (CCD) format detail & addenda records. The formats for Record types 5, 6, 7 and 8 are described in detail beginning on page 4 of this guide.

You should check with your financial institution to make sure it can transfer your tax payment using this record format.

HOW DO I MAKE OR ORIGINATE A PAYMENT?

Since your financial institution will transfer your payment, you should contact it for the specific procedures you should follow.

TESTING THE SYSTEM BEFORE MAKING A PAYMENT?

New Hampshire Insurance Department recommends a pre-notification (prenote) test to validate the state's bank transit number, bank account number and taxpayer information. All payers participating in this EFT program should complete

a successful prenote test at least 10 calendar days prior to the due date of their first EFT payment. **Only one company per group need do a prenote test.**

WHAT IS A SUCCESSFUL PRENOTE TEST?

A successful prenote test means the Insurance Departments financial institution has received a .01 dollar transaction that includes Record 5, Record 6, Record 7 and Record 8 error free. The prenote test should include all fields in each record. You will be notified of any errors in your prenote test and will be asked to send a prenote test until one is error free.

DO I NEED TO SEND A PRENOTE IF I MAKE A CHANGE TO MY BANK OR SOFTWARE?

New Hampshire recommends that you send a new prenote whenever you make a change to your account, financial institution, or software program.

HOW DO I MAKE CORRECTIONS?

If you make an ACH Credit payment and realize after the fact that a mistake has been made, you must contact your financial institution for its correction procedures. Also, please email Norma.Stallings@ins.nh.gov. or Donna.Arcand@ins.nh.gov or telephone the Insurance Department at (603) 271-2261.

HOW DO I VERIFY TIMELY PAYMENTS?

With the ACH Credit payment method, your financial institution will be responsible for verification of timeliness.

IS THERE ANY PROOF OF PAYMENT?

If proof of payment is required, it is the payer's responsibility to work with its financial institution to obtain verification that funds were transferred from the taxpayer's account into the state's account. Your bank can supply you with a trace number that it generates for the ACH network.

CAN I RECEIVE REFUNDS THROUGH EFT OR REVERSE A PAYMENT?

Refunds will not be issued electronically through the ACH network. No reversals will be allowed except in cases permitted by ACH rules and regulations.

WHAT INFORMATION IN EFT ASSURES OBLIGATIONS ARE CREDITED

NHID relies on information contained in the addendum records. Complying with NHID requirements on coding addendum facilitates credit of your account with minimum research.

Each EFT must contain the 5-digit NAIC Company Code, due date and amount to be properly allocated to the proper recipient.

ADMINISTRATION SCHEDULE

If a payment due date falls on a legal holiday or weekend, the tax payment must be received on the first business day after the holiday or weekend. If your financial institution is closed on a day that you wish to initiate your transfer, you must contact it one day prior to the observed holiday.

Financial institution holidays in other states may vary from New Hampshire holidays. In some cases, specific banks may need 48 hours notice to initiate your transaction.

NH State Holiday Schedule:

| | |
|-----------------------------|------------------------|
| New Year's Day | Labor Day |
| Civil Rights/M.L.K Birthday | Veteran's Day |
| Presidents' Day | Thanksgiving Day |
| Memorial Day | Day after Thanksgiving |
| Independence Day | Christmas Day |