

Lesson 2 Configuring ClaimCenter Financials – Financial Holds

Financial holds allow a claim to get to “ability to pay” without approving any claim expenses. This is useful when indemnification is being denied on a claim, but there are still expenses to be paid on the claim.

Prerequisites

This lesson assumes that you have successfully completed the **ClaimCenter Configuration Kickstart** course.

For this exercise, you will use **ClaimCenter**, **Guidewire Studio**, and a supported web browser.

ClaimCenter Server should **not** be running when you start the exercise.

2.1 Place a financial hold if a claim is in litigation



Exercise

Succeed Insurance wants financial holds to be in place when a claim is in litigation. If a claim is in litigation:

- No indemnity payments are allowed, but expense payments are allowed with a warning.
- No indemnity reserves are allowed, but expense reserves are allowed with a warning.

Exercise 1: Place a financial hold if a claim is in litigation

Succeed Insurance wants financial holds to be in place when a claim is in litigation. If a claim is in litigation:

- No indemnity payments are allowed, but expense payments are allowed with a warning.
- No indemnity reserves are allowed, but expense reserves are allowed with a warning.

1. Add display keys for the warning and error messages to display.properties.

configuration → config → Localizations → Resource Bundle ‘display’ → display.properties

2. Modify FinancialHoldsImpl.gs to meet the requirement.

A claim’s litigation status is stored in the **Claim.LitigationStatus** field.

3. Create a validation rule to finish implementing the requirement.

4. Start the ClaimCenter server in debug mode.

Test procedure

1. Log in to ClaimCenter as aapplegate/gw.

2. Create a new claim that is not in a financial hold situation, and has no reserves or payments made.

Claim **235-53-373871** (Brittany Turner) is such a claim.

3. Verify that the claim and all exposures are at Ability to Pay.

If not, make any necessary changes so that the claim will be at Ability to Pay.

4. Put the claim into litigation.

- a) Go to **Summary → Status**.
- b) Click **Edit**.
- c) Change **Litigation Status** to **In Litigation**.
- d) Ensure that **Coverage in Question** is set to **No**.
- e) Click **Update**.

5. Create transactions.

- a) Click **Actions → Reserve**.
- b) Attempt to create a claim cost reserve and verify that the error message appears.
- c) Create an expense reserve and verify that the warning message appears.

6. Navigate to a claim that is not already in a financial hold situation and has reserves already on it.

Claim **235-53-425892** (Karen Egertson) is such a claim.

7. Verify that the claim and all exposures are at Ability to Pay.

If not, make any necessary changes so that the claim will be at Ability to Pay.

8. Create a reserve for claim expenses, if necessary.

Login as claims manager (**ssmith/gw**) and approve the reserve (if necessary).

9. Put the claim into litigation.

10. Create a transaction.

- a) Click **Actions → Reserves**.
- b) Attempt to create a claim cost check and verify that the error message appears.
- c) Create an expense check and verify that the warning appears.



Stop

2.2 Solution

Solution 1: Place a financial hold if a claim is in litigation

```
Ext_Rules.Validation.FinancialHolds.LitigationError = You cannot complete this transaction because the claim is in litigation.  
Ext_Rules.Validation.FinancialHolds.LitigationWarning = This claim is in litigation. Are you sure you want to complete this transaction?
```

```
1 package gw.api.financials  
2  
3 @Export  
4 class FinancialHoldsImpl implements FinancialHolds {  
5  
6     private var _claim: Claim  
7  
8     construct(claim: Claim) { _claim = claim }  
9  
10  
11  
12     override function applyFinancialHolds() : Boolean {  
13         return _claim.CoverageInQuestion  
14             or _claim.IncidentReport  
15             or not _claim.Policy.Verified  
16             or _claim.LitigationStatus == LitigationStatus.TC_LITIGATED  
17     }  
18 }
```

- Transaction Validation Rules
- ☒ TXV01000 - Total payment not > Exposure limit
 - ☒ TXV02000 - Check exp limit when increasing reserves
 - ☒ TXV03000 - Total Payments not > Incident limit
 - ☒ TXV04000 - Check incid limit when increasing reserves
 - ☒ TXV05000 - PIP
 - ☒ TXV06000 - Reserve threshold
 - ☒ TXV07000 - Default CheckSet Rules
 - ☒ TXV08000 - Check Aggregate Limits
 - ☐ TXV10000 - Check
 - ☐ TXV11000 - Block Payments that Exceed Reserves
 - ☒ TXV12000 - Pending Reserves & Matching Pending Payments
 - ☒ TXV13000 - Warning if Adverse Party pays non-Subro Recovery
 - ☐ TXV14000 - Check Send Date Validation
 - Financial Holds
 - ☒ TXV15000 - Financial Holds
 - ☒ TXV15100 - Coverage In Question
 - ☒ TXV15200 - Incident Only
 - ☐ TXV15300 - Unverified Policy
 - ☒ TXV15400 - Litigation_Ext

```

1  USES:
2
3  uses gw.api.locale.DisplayKey
4
5  CONDITION (transactionSet : entity.TransactionSet):
6
7
8
9
10 return transactionSet.Claim.LitigationStatus == LitigationStatus.TC_LITIGATED
11
12 ACTION (transactionSet : entity.TransactionSet, actions : gw.rules.Action):
13
14
15
16
17
18 if (transactionSet.Transactions.toList().hasMatch(\t ->
19     t.CostType==CostType.TC_CLAIMCOST )) {
20     transactionSet.reject(ValidationLevel.TC_PAYMENT,
21         DisplayKey.get("Ext_Rules.Validation.FinancialHolds.LitigationError"),
22         null, null)
23 } else {
24     transactionSet.reject(null, null,
25         ValidationLevel.TC_PAYMENT,
26         DisplayKey.get("Ext_Rules.Validation.FinancialHolds.LitigationWarning"))
27 }
28 |
29 END

```

Test procedure

High-Risk Indicators

Litigation

Litigation Status

In litigation

Litigation Identified

Days after FNOL

First Notice Suit

☐ Yes
☐ No

Next Trial Date

Set Reserves

Save

Cancel

Add

Remove

Show Group

Show All

Link Document

Exposure	Coverage	Cost Type*	Cost Category*	Currently Available	Pending Approval	New Available Reserves*
<input type="checkbox"/> (1) 1st Party Vehicle - Robert Farley	Collision	Claim Cost	Auto body	-	-	\$ 500.00

Validation Results

Validation Results

Clear

Errors:

You cannot complete this transaction because the claim is in litigation.

Set Reserves

Save

Cancel

Add

Remove

Show Group

Show All

Link Document

Exposure	Coverage	Cost Type*	Cost Category*	Currently Available	Pending Approval	New Available Reserves*
<input type="checkbox"/> (1) 1st Party Vehicle - Robert Farley	Collision	Unspecified Cost Type	Vehicle inspection	-	-	\$ 500.00

Validation Results

Validation Results

Clear

Warnings:

This claim is in litigation. Are you sure you want to complete this financial transaction?

Step 1 of 3: Enter payee information

<input type="checkbox"/>	Pay To	Deduction Type	Delivery Method	Check Portion
<input type="checkbox"/>	Freeb's Auto Shoppe		Send	

[Check Details](#)

Primary Payee

Name * Freeb's Auto Shoppe ▼

Type * Vendor ▼

[Add Joint Payees](#)

Payment Method ☒ Check ☐ Electronic funds transfer

Pay To The Order Of * Freeb's Auto Shoppe

Mail To

Check Delivery Send ▼

Recipient * Freeb's Auto Shoppe

Mailing Address 3215 Garfield, Alameda, CA 94502

Step 2 of 3: Enter payment information

<input type="checkbox"/> Exposure	Coverage	Cost Type	Cost Category	Amount	Payment Type	Comments
<input type="checkbox"/> (1) 1st Party Vehicle - Mark Henderson	Comprehensive	Claim Cost	Auto body	\$250.00	Partial	
				\$250.00		

Payment Details

Reserve Line * (1) 1st Party Vehicle - Mark Henderson; Claim Cost/Aut

Coverage Comprehensive

Payment Type * Partial

Eroding? * ☒ Yes ☐ No

Available Reserves \$1,500.00

Comments

Line Items

Add Item

Remove

Apply Deductible: \$500.00 Remaining

<input type="checkbox"/> Category	Amount*
<input type="checkbox"/> <none>	\$ 250.00

\$250.00

Validation Results

Validation Results

Clear

Errors:

You cannot complete this transaction because the claim is in litigation.

Step 1 of 3: Enter payee information

[illegible]

Step 2 of 3: Enter payment information

<input type="checkbox"/> Exposure	Coverage	Cost Type	Cost Category	Amount	Payment Type
<input type="checkbox"/> (1) 1st Party Vehicle - Mark Henderson	Comprehensive	Expense - A&O	Vehicle inspection	\$75.00	Partial
				\$75.00	

Payment Details

Reserve Line

* (1) 1st Party Vehicle - Mark Henderson; Expense - A&O

Coverage

Comprehensive

Payment Type

* Final

Eroding?

* ☒ Yes ☐ No

Available Reserves

\$75.00

Comments

Line Items

Add Item

Remove

☐ Category

Amount

☐ <none>

\$ 75.00

\$75.00

Validation Results

Validation Results

Clear

Warning

⚠ This claim is in litigation. Are you sure you want to complete this financial transaction?

Financials (Total Incurred: \$1,575.00): Checks

<div>⚙</div>						
Check Number	Pay To	Gross Amount	Issue Date	Scheduled Send Date	Status	Bulk Invoice
	Arthur Frobish	\$75.00		04/23/2018	Awaiting submission	