

Lesson 3 Constraining Payments – Approvals

Prerequisites

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

ClaimCenter Server and Contact Manager should be running when you start the exercise.

The default URL for ClaimCenter is <http://localhost:8080/cc/ClaimCenter.do>.

3.1 Exercise: Investigation



Activity

In this exercise, you examine a claim and answer questions about its financial status.

You continue this practice as StudentXX.

1. Log in to ClaimCenter as Sam TudentXX (user: studentxx, password: gw).
2. Open the Kevin SmithXX claim.

Answer these questions:

1. What is the amount of the total net incurred for this claim?
2. How can the total net incurred affect reserve transaction approval?
3. If you were to modify the 1st party vehicle claim cost / auto body reserve line, what would cause the change to require approval?
4. What are two ways ClaimCenter helps constrain payments?

3.2 Solution: Investigation



Solution

1. Log in to ClaimCenter as Sam TudentXX (user: studentxx, password: gw).

2. Open the Kevin SmithXX claim.

Answer these questions

1. What is the amount of the net total incurred for this claim?

\$14,000

2. How can the net total incurred affect reserve transaction approval?

In the base application, adjusters may only create reserves where the total is no more than \$15,000 without the transaction requiring approval.

3. If you were to modify the 1st party vehicle claim cost / auto body reserve line, what would cause the change to require approval?

If the amount is over \$1,000 which would make the total net incurred cost over \$15,000 which is the adjusters' limit.

4. What are two ways ClaimCenter helps constrain payments?

Authority limits and transaction approval rules

3.3 Exercise: Creating transactions



Activity

In this activity, you create and modify reserves on the Kevin SmithXX claim. You then determine if they need approval and if so, go through the approving process.

1. **Modify the reserve line for the 1st party vehicle (Kevin SmithXX) Claim Cost / Auto body by adding \$1500 to the reserve.**
2. **What is the status of the change to the reserve line?**
3. **Modify the reserve line for 3rd party Bodily Injury (Michael CashmanXX):**
 - a) Add \$8,000 to the Medical Claim Cost.
 - b) Add a new reserve line for Claim Cost – Emergency Services for \$6,000.
 - c) Save the changes.
4. **What was the warning for the reserve line transaction?**
5. **What mechanism issued the warning?**
6. **What is the status of the changes and additions to the reserve line?**
7. **Who is the supervisor that is responsible for approving the transactions?**

Next, approve the transactions.

1. Log out of ClaimCenter and log in as Shelley UpervisorXX (user: supervisorXX, password: gw).
2. Why does the 1st Party Vehicle reserve require approval?
3. Approve the transaction.
4. Review the reserve changes to the 3rd Party Bodily Injury – Michael CashmanXX.
 - a) Can you approve the change to Emergency Services only?
 - b) Why or why not?
 - c) What is the reason for this transaction requiring approval?
 - d) Add a note that you have seen the documentation for the increase in reserves and that the change is reasonable.
 - e) Approve the change to the Reserve Line.
5. Log out of ClaimCenter and log in as StudentXX (user: studentXX, password: gw).
6. Open the Kevin SmithXX claim.
7. What is the amount of the total gross incurred?
8. Have all of the transactions been approved?
9. How did you discover that?

3.4 Solution: Creating transactions



1. Modify the reserve line for the 1st party vehicle (Kevin SmithXX) Claim Cost / Auto body by adding \$1500 to the reserve.
2. What is the status of the change to the reserve line?
Pending approval
3. Modify the reserve line for 3rd party Bodily Injury (Michael CashmanXX):

- a) Add \$8,000 to the Medical Claim Cost.
- b) Add a new reserve line for Claim Cost – Emergency Services for \$6,000.
- c) Save the changes. Answer the next 2 questions and then save the transaction.

4. What was the warning for the reserve line transaction?

Gross incurred exceeds exposure limit

5. What mechanism issued the warning?

Transaction approval rules (notice the rule number in the warning message)

6. What is the status of the changes and additions to the reserve line?

Pending approval

7. Who is the supervisor that is responsible for approving the transactions?

Shelley UpervisorXX

Next, approve the transactions.

1. Log out of ClaimCenter and log in as Shelley UpervisorXX (user: supervisorXX, password: gw).
2. Why does the 1st Party Vehicle reserve require approval?

The total reserves for the claim exceeds \$15,000

3. Approve the transaction.

4. Review the reserve changes to the 3rd Party Bodily Injury – Michael CashmanXX.

- a) Can you approve the change to Emergency Services only?

No

- b) Why or why not?

It is part of a Reserve set that must be approved or rejected together.

- c) What is the reason for this transaction requiring approval?

The total reserves for the claim exceed \$15,000

- d) Add a note that you have seen the documentation for the increase in reserves and that the change is reasonable.

- e) Approve the change to the Reserve Line.

5. Log out of ClaimCenter and log in as studentXX.

6. Open the Kevin SmithXX claim.

7. What is the amount of the total gross incurred?

\$29,500

8. Have all of the transactions been approved?

Yes

9. How did you discover that?

Under Financial → Transactions, none of the reserves have a status of pending approval.