

Lesson 5 Earning and Tracking Commission

5.1 Configuring a commission plan

Succeed Insurance has two underwriting companies that sell personal automobile policies. The commission rates vary depending on the underwriting company, the type of charge, and whether a premium is for initial business or a renewal.

5.1.1 Requirements

- Spec 1** Create a commission plan called Succeed CommPlan for the carrier with sub plans that implement commission rates for the two underwriting companies.
- Spec 2** The Default subplan will not be used. For this reason, set the commission rates to 0 and do not add any commissionable items.
- Spec 3** Kendall General and Auto Insurers should appear in the list of underwriting companies on the Subplan Availability tab. Make sure they are listed first above existing underwriting companies.
- Spec 4** For Kendall General, the commission is earned when the policy is bound, whereas, for Auto Insurers, the commission is earned pro rata as each payment is received from the insured.
- Spec 5** Both underwriting companies have only primary producers.
- Spec 6** The commission plan should support all producer tiers.
- Spec 7** Suspend for delinquency should be true.
- Spec 8** Only premium is commissionable.
- Spec 9** The following commission schedule needs to be implemented in BillingCenter.

Subplan Description	Kendall General	Auto Insurers
New Auto Premium	20%	15%
Renewal Auto Premium	17.5%	10%

5.1.2 Tasks

1. Update UWCompany typelist.
2. Restart the server.
3. Create a new commission plan.
4. Edit the default sub plan.
5. Add a new subplan for Kendall General – New Auto Premium.
6. Add a new subplan for Kendall General – Renewal Auto Premium.
7. Add a new subplan for Auto Insurers – New Auto Premium.
8. Add a new subplan for Auto Insurers – Renewal Auto Premium.
9. Save the new commission plan

5.1.3 Testing procedures

Auto Insurers Scenario

1. **Create a producer and associate with the new commission plan**
 - a) Use QuickJump to create a new producer. The command is Run Producer
 - b) On the new producer screen, click the Edit button to put the producer into edit mode
 - c) In the producer code section of the screen, click the Add button
 - d) Enter AIP as the producer code
 - e) In the Commission Plan field, click the search icon to open the search page
 - f) Enter Succeed CommPlan into the name field and click search
 - g) Click the Select button. (If it returns all results regardless of the name entered in the search box, page through the results to find the required commission plan.)
 - h) Make note of the producer name for reference later
 - i) Click the Update button to save the changes to this producer
2. **Create a new account.**
 - a) Use QuickJump to create a new Account. The command is Run Account.
3. **Add a policy to the new account with these details: (Actions → Add Policy)**
 - a) Policy number: AI New Auto
 - b) Product: Personal Auto
 - c) UW Company: Auto Insurers
 - d) Payment plan: PP02
 - e) Primary: Producer from step 1
 - f) Code: AIP
 - g) Premium: \$1000

4. **Go to the charges screen (Account tab → Charges) and click the placement date of the down payment invoice item for the premium charge.**
 - a) Has the correct commission amount been reserved for the item? The amount should be \$15.00, which is 15% of the item amount of \$100.
 - b) Has any commission been earned for the item? (That is, is any commission payable?) Is this what you expected? No commission should have been earned yet because the commission is earned on each payment received.
5. **Bill the first invoice**
 - a) Use System Tools to advance the clock to the bill date of the first invoice
 - b) Run the Invoice batch process
 - c) Return to the account
 - d) Has any commission been earned for the item? Is this what you expected? No commission should have been earned yet because the commission is earned on each payment received.
6. **Partially pay the first invoice by \$75 and execute. (Actions → New Payment → New Direct Bill Payment)**
7. **Return to the charges screen and click the placement date of the down payment invoice item.**
 - a) How much commission has been paid for this item? The amount should be \$11.25, which is 15% of the payment amount.
 - b) Is this what you expected? Yes, because the earning criterion is On Payment Rec'd.
8. **Renew the policy with the details below. (Policy tab → Action → Renew Policy)**
 - a) Policy number: AI New Auto
 - b) Product: Personal Auto
 - c) UW Company: Auto Insurers
 - d) Payment plan: PP02
 - e) Primary Producer: Producer from step 1
 - f) Code: AIP
 - g) Premium: \$1200
9. **On the charges screen (Policy → Charges), click on the placement date of the down payment item.**
 - a) Has the correct commission amount been reserved for the item? The amount should be \$12.00, which is 10% of the item amount.
 - b) Has any commission been earned for the item? No commission should have been earned yet because the commission is earned on each payment received.

Kendall General Scenario

1. **Create a producer and associate with the new commission plan**
 - a) Use QuickJump to create a new producer. The command is Run Producer

- b) On the new producer screen, click the Edit button to put the producer into edit mode
- c) In the producer code section of the screen, click the Add button
- d) Enter KGP as the producer code
- e) In the Commission Plan field, click the search icon to open the search page
- f) Enter Succeed CommPlan into the name field and click search
- g) Click the Select button to select that commission plan
- h) Make note of the producer name for reference later
- i) Click the Update button to save the changes to this producer

2. Create a new account.

- a) Use QuickJump to create a new Account. The command is Run Account.

3. Add a policy to the new account with these details: (Actions → Add Policy)

- a) Policy Number: KG New Auto
- b) Product: Personal Auto
- c) UW Company: Kendall General
- d) Payment Plan: PP02
- e) Primary Producer: Producer from step 1
- f) Code: KGP
- g) Premium: \$2000

4. Go to the charges screen (Account tab → Charges) and click the placement date of the down payment invoice item for the premium charge.

- a) How much commission is payable for this item? \$40, which is 20% of the item amount of \$200.

5. Click the placement date for the last invoice item.

- a) Has the commission been earned for this item? Is this what you expected? The commission has been earned in full. This is because the earning criterion for Kendall General is On Binding.

6. Renew the policy with the details below. (Policy tab → Action → Renew Policy)

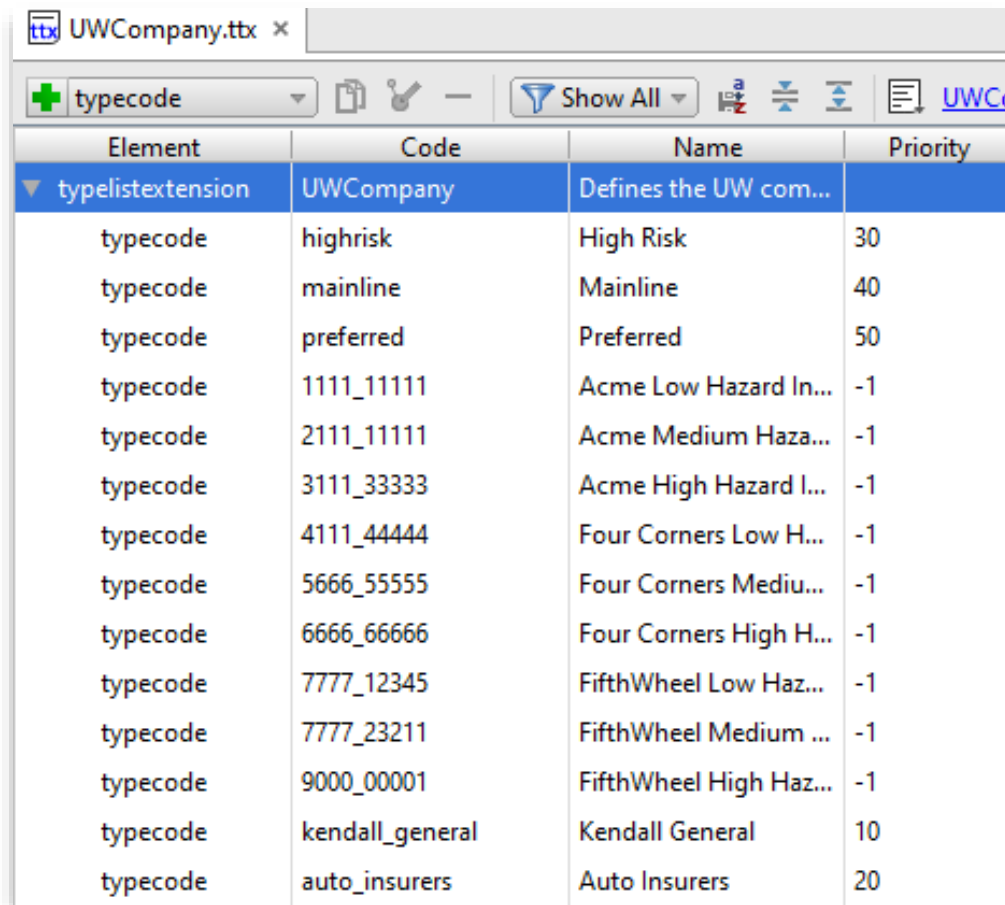
- a) Policy number: KG New Auto
- b) Product: Personal Auto
- c) UW Company: Kendall General
- d) Payment plan: PP02
- e) Primary Producer: Producer from step 1
- f) Code: KGP
- g) Premium: \$2300

7. On the charges screen (Policy → Charges), click on the placement date of the down payment item.

- a) Has the correct commission amount been reserved for the item? The amount should be \$40.25, which is 17.5% of the item amount.
- b) Has the commission been earned for this item? Is this what you expected? The commission has been earned in full. This is because the earning criterion for Kendall General is On Binding.

5.1.4 Solution

1. Update UWCompany typelist



Element	Code	Name	Priority
▼ typelistextension	UWCompany	Defines the UW com...	
typecode	highrisk	High Risk	30
typecode	mainline	Mainline	40
typecode	preferred	Preferred	50
typecode	1111_11111	Acme Low Hazard In...	-1
typecode	2111_11111	Acme Medium Haza...	-1
typecode	3111_33333	Acme High Hazard I...	-1
typecode	4111_44444	Four Corners Low H...	-1
typecode	5666_55555	Four Corners Mediu...	-1
typecode	6666_66666	Four Corners High H...	-1
typecode	7777_12345	FifthWheel Low Haz...	-1
typecode	7777_23211	FifthWheel Medium ...	-1
typecode	9000_00001	FifthWheel High Haz...	-1
typecode	kendall_general	Kendall General	10
typecode	auto_insurers	Auto Insurers	20

2. Restart the server.

3. Create a new commission plan.

- a) Navigate to Administration → Business Settings → Commission Plans
- b) Click Actions → New Commission Plan
- c) Enter "Succeed CommPlan" as the name for the new commission plan.
- d) Enter today's date in the effective date field

- e) Select the checkboxes for the Gold, Silver, and Bronze Tiers.

4. Edit the default sub plan

- a) Enter 0s for the rates
- b) In the Earn Commissions dropdown select On Binding. This is a required field.
- c) Select Yes for the Suspend for Delinquency field

5. Add a new subplan for Kendall General – New Auto Premium.

- a) Click the Add button in the sub plans section of the screen
- b) Enter “Kendall General – New Auto Premium” as the subplan name
- c) Enter 20 in the Primary field
- d) Enter 0 in both the Secondary and Referrer fields
- e) In the Earn Commissions dropdown, select On Binding
- f) Select Yes for Suspend for Delinquency

Subplans

Add

Remove

☐

Priority ▾

Subplan Name ▾

☐

2 default

☐

1 Kendall General - New Auto Premium

General

Commissionable Items

Special Rates

Incentives

Subplan Availability

Basics

Subplan Name

*

Kendall General - New Auto Premium

Rates

Primary

*

20

Secondary

*

0

Referrer

*

0

Payable Criteria

Earn Commissions

*

On Binding ▼

Suspend for
Delinquency

*

☒

Yes

☐

No

- g) On the Commissionable Items tab, click the Add button
- h) Select Premium from the drop-down list

- i) Select the subplan availability tab
- j) In the Allow Products section, click the Select radio button and then select No for all products EXCEPT for personal auto. Only personal auto should be set to Yes.
- k) In the Terms section, click the Select radio button and then select No for all terms EXCEPT for initial business. Only initial business should be set to Yes.
- l) In the Allow UW Companies section, click the Select radio button and then select No for all underwriting companies EXCEPT for Kendall General. Only Kendall General should be set to Yes.

6. Add a new sub plan for Kendall General – Renewal Auto Premium.

- a) Click the Add button in the sub plans section of the screen

- b) Enter "Kendall General – Renewal Auto Premium" as the sub plan name
- c) Enter 17.5 in the Primary field
- d) Enter 0 in both the Secondary and Referrer fields
- e) In the Earn Commissions dropdown, select On Binding
- f) Select Yes for Suspend for Delinquency
- g) On the Commissionable Items tab, click the Add button
- h) Select Premium from the drop-down list
- i) Select the subplan availability tab
- j) In the Allow Products section, click the Select radio button and then select No for all products EXCEPT for personal auto. Only personal auto should be set to Yes.
- k) In the Terms section, click the Select radio button and then select No for initial business. First Renewal, Second Renewal, Third Renewal, and Thereafter should all be set to Yes.
- l) In the Allow UW Companies section, click the Select radio button and then select No for all underwriting companies EXCEPT for Kendall General. Only Kendall General should be set to Yes.

7. Add a new subplan for Auto Insurers – New Auto Premium.

- a) Click the Add button in the sub plans section of the screen
- b) Enter "Auto Insurers – New Auto Premium" as the subplan name
- c) Enter 15 in the Primary field
- d) Enter 0 in both the Secondary and Referrer fields
- e) In the Earn Commissions dropdown, select On Payment Rec'd
- f) Select Yes for Suspend for Delinquency
- g) On the Commissionable Items tab, click the Add button
- h) Select Premium from the drop-down list
- i) Select the subplan availability tab
- j) In the Allow Products section, click the Select radio button and then select No for all products EXCEPT for personal auto. Only personal auto should be set to Yes.
- k) In the Terms section, click the Select radio button and then select No for all terms EXCEPT for initial business. Only initial business should be set to Yes.
- l) In the Allow UW Companies section, click the Select radio button and then select No for all underwriting companies EXCEPT for Auto Insurers. Only Auto Insurers should be set to Yes.

8. Add a new sub plan for Auto Insurers – Renewal Auto Premium.

- a) Click the Add button in the sub plans section of the screen
- b) Enter "Auto Insurers – Renewal Auto Premium" as the sub plan name
- c) Enter 10 in the Primary field

- d) Enter 0 in both the Secondary and Referrer fields
- e) In the Earn Commissions dropdown, select On Payment Rec'd
- f) Select Yes for Suspend for Delinquency
- g) On the Commissionable Items tab, click the Add button
- h) Select Premium from the drop-down list
- i) Select the subplan availability tab
- j) In the Allow Products section, click the Select radio button and then select No for all products EXCEPT for personal auto. Only personal auto should be set to Yes.
- k) In the Terms section, click the Select radio button and then select No for initial business. First Renewal, Second Renewal, Third Renewal, and Thereafter should all be set to Yes.
- l) In the Allow UW Companies section, click the Select radio button and then select No for all underwriting companies EXCEPT for Auto Insurers. Only Auto Insurers should be set to Yes.

9. Save the new commission plan

- a) Click the Update button to save the new commission plan