Lesson 8   Renewals

8.1   Requirement

Set up a policy for renewal. The underwriter determined that the loss was too high, so the underwriter added a pre-renewal direction. The underwriter then decided to remove the pre-renewal direction since the loss was calculated incorrectly. The insured called to renew the policy immediately.

8.2   Renewing a policy for a LOB of your choice

Select the option that best applies to your business interests. If you are in a classroom environment and are unsure which option to try, ask your instructor.

8.2.1   Creating the account and a Businessowners policy (BOP)

Activity

Renewing a Businessowners Policy (BOP)

Renee is a business owner of a small retail clothing store in San Mateo, California.

1. **Log in as studentXX**

2. **Create the account using Renee's details**

   a) The name is Renee WellsXX

   b) The account type is person

   c) The business address is 101 N. Main Street, San Mateo, CA, 94401

   d) The organization is Armstrong and Company and the producer is Armstrong Premier

3. **Create a new submission for Businessowners line. Quote and issue the policy.**

4. **Add a pre-renewal direction to the policy**

   Set the following details:

   - Direction = Non-Renew

   - Non-Renew Reason = Non-renew – losses

   - Note Text = Loss was too high

5. **Delete the pre-renewal direction**

   Verify that the policy no longer has a set pre-renewal direction. Then, view both the Notes and History screens. The Notes and History reflect a history of the pre-renewal direction that you set up, even though it has been deleted.

6. **Renew the policy**

Go to the Policy File and select **Actions→ Renew Policy**.

7. **Issue the renewal immediately**

   To issue a renewal job, first click **Edit Policy Transaction**, followed by **Quote and Bind options → Issue Now**.

8. **Verify that the renewal worked**

   Change the Date in the left menu of the Policy Contract to be on or after the renewal term's start date. Verify in the info bar (top of the screen) that the policy period is "Scheduled".

8.2.2   Creating the account and a Personal Auto policy

Activity

Renewing a Personal Auto Policy

Renee is a licensed driver in California, who needs an auto policy for her $29,000 new car. Renee and her car reside at 601 Stanyan St, San Francisco, CA 94117. She drives the car 100% of the time. Her birthday is August 1, 1985.

1. **Log in as studentXX**

2. **Create the account using Renee's details and with the name Renee WellsXX**

   The organization is Armstrong and Company and the producer is Armstrong Premier.

3. **Create a personal auto policy for Renne WellsXX**

   The policy should have a single vehicle on it. Renee has never had a violation or accident since she was first licensed in 1998. Use VIN "2", and default coverages.

4. **Quote and issue the policy**

5. **Add a pre-renewal direction to the policy**

   Set the following details:

   - Direction = Non-Renew
   - Non-Renew Reason = Non-renew – losses
   - Note Text = Loss was too high

6. **Delete the pre-renewal direction**

   Verify that the policy no longer has a pre-renewal direction set. Then, view both the Notes and History screens. The Notes and History reflect a history of the pre-renewal direction even though you have deleted it.

7. **Renew the policy**

   Go to the Policy File and select **Actions→ Renew Policy**.

8. **Issue the renewal immediately**

To issue a renewal job, click **Edit Policy Transaction** followed by **Quote and Bind options → Issue Now**.

9. **Verify that the renewal worked**

Change the Date in the left menu of the Policy Contract to be on or after the renewal term's start date. Verify in the info bar (top of the screen) that the policy period is "Scheduled".

⚐⚑ **Stop**

8.3 Solutions

💡 **Solution**

Configure the pre-renewal direction. Renew a policy manually and issue the renewal transaction immediately.

Note: Creating accounts and issue submissions are not shown here. Refer to previous sections, if needed.

1. **Configure the pre-renewal direction**
   a) From an in-force policy, click **Actions → Pre-Renewal Direction**
   b) Click **Edit** and populate the fields

Pre-Renewal Direction for Policy Term 06/02/2018 - 12/02/2018

| | Update | Cancel | View Notes |

Details			Note	
Direction	* Non-Renew		Topic	Pre-renewal direction
Non-Renew Reason	* Non-Renew - losses		Subject	
Non-Renew Additional Text			Related To	-- Policy : 9126292039
			Security Level	* Internal Only
			Text	* loss was too high

   c) Click **Update** to save
   d) Go to the newly created pre-renewal direction by clicking the link on the Policy Summary page or through **Actions → Pre-Renewal Direction.** Delete the pre-renewal direction.
2. **To renew a policy, go to the Policy File and select Actions → Renew Policy**

The renewal process is started and goes into the renewal workflow, which automatically quotes the renewal job. It is in a renewing state and will be bound on the renewal term's start date. (If a non-renewal or not taken pre-renewal direction is set on the policy, the state will be reflected accordingly.)

3. **Click Next and the Edit transactions button to take the renewal transaction off the renewal workflow**

4. **Click Quote. There are two bind options**

   a) **Bind Options → Renew** puts the renewal job back in the renewal workflow to be bound on the renewal term's start date

   b) **Bind Options → Issue Now** binds and issues the renewal immediately.

5. **Issue the renewal immediately (Bind options → Issue Now)**

6. **Verify that the renewal worked**

   Change the Date in the left menu of the Policy Contract to be on or after the renewal term's start date. Verify in the info bar (top of the screen) that the policy period is "Scheduled".

8.4   References

 Review

Producers

The producer of the record brings business to the insurer, and therefore receives a commission based on the premium.

The producer of the service is the person servicing the policy and has the required permissions to edit policies. At the time of renewal, becomes the producer of record.

Hint

Issue a renewal manually

You may have to edit the renewal to be able to quote and then issue the policy.

Stop