

Lesson 5 Billing a Pro Rata Charge

5.1 Prerequisites

For this exercise, use:

- In a supported browser go to the BillingCenter URL
 - Username: **studentXX**
 - Password: **gw**

5.2 Exercise: Bill a Premium charge



Activity

In this exercise, you examine a payment plan to predict how a set of charges will be invoiced. Then you create a policy to test your predictions.

1. Open the **PP02** payment plan and answer the following questions:
 - a) Is there a blackout window?
 - b) If there is a blackout window, will it reduce the maximum number of possible invoices generated for a Premium issuance charge on a policy with a 12 month term?
 - c) Will the down payment and first installment land on the same invoice?
 - d) Will the down payment and Taxes item land on the same invoice?
2. Open the **Albany Dude Ranches XX** account.
3. Add a policy to the account with the following details:
 - Policy #: CA01-ADRANCH-XX
 - Product: Business Auto
 - Payment Plan: **PP02**
 - Charges: Premium for \$5000; Taxes for \$500
4. On the Account tab, visit the Charges, Invoices, and Invoice Streams screens to verify your responses to the previous questions (use the questions below to guide you):
 - a) Are the down payment and one-time invoice items on the same invoice?
 - b) Which invoice has the first installment?
 - c) How many installments were created?
 - d) Did the blackout window restrict the number of installments that created?

- 5. Open the PP06 payment plan and answer the following questions:**
 - a) Is there a down payment?
 - b) What invoice items will be placed on the first invoice?
 - c) What invoice items will be placed on the second invoice?
- 6. Add a second policy to the Albany Dude Ranch XX account with the following details:**
 - Policy #: BO01-ADRANCH-XX
 - Product: Business Owners
 - Payment Plan: **PP06**
 - Charges: Premium for \$9400; Taxes for \$890
- 7. On the Account tab, visit the Invoices screen to verify your responses to the previous questions. Tip: You can use the Invoice Stream filter to restrict the view to invoices for the BO01-ADRANCH-XX policy only.**

5.3 Solution



- 1. Using the JP browser, open the PP02 payment plan and answer the following questions:**
 - a) Is there a blackout window? Yes, a *30 day window*
 - b) If there is a blackout window, will it reduce the maximum number of possible invoices generated for a Premium issuance charge on a policy with a 12 month term? *No, because the maximum number of invoices is 10 (1 for the down payment and a maximum of 9 for installments). 10 invoices will fit within the timeframe restricted by the blackout window of 30 days.*
 - c) Will the down payment and first installment land on the same invoice? *No. The down payment will be invoiced on the first invoice, whereas the first installment will be invoiced one month after the policy effective date.*
 - d) Will the down payment and Taxes item land on the same invoice? *Yes. They will both have placement dates of 25 days before the policy effective date.*
- 2. Open the Albany Dude Ranches XX account.**
- 3. Add a policy to the account with the following details:**
 - Policy #: CA01-ADRANCH-XX
 - Product: Business Auto
 - Payment Plan: **PP02**
 - Charges: Premium for \$5000; Taxes for \$500
- 4. On the Account tab, visit the Charges, Invoices, and Invoice Streams screens to verify your responses to the previous questions (use the questions below to guide you):**

- a) Are the down payment and one-time invoice items on the same invoice? Yes
- b) Which invoice has the first installment? *The 2nd invoice*
- c) How many installments were created? 9
- d) Did the blackout window restrict the number of installments that created? No. *The max # of installments was 9 and 9 installments were generated.*

5. Open the PP06 payment plan and answer the following questions:

- a) Is there a down payment? No
- b) What invoice items will be placed on the first invoice? *Invoice items for one-time charges such as Taxes*
- c) What invoice items will be placed on the second invoice? *Installments 1 and 2*

6. Add a second policy to the Albany Dude Ranch account with the following details:

- Policy #: BO01-ADRANCH-XX
- Product: Business Owners
- Payment Plan: **PP06**
- Charges: Premium for \$9400; Taxes for \$890

7. On the Account tab, visit the Invoices screen to verify your responses to the previous questions. Tip: You can use the Invoice Stream filter to restrict the view to invoices for the BO01-ADRANCH-XX policy only.