

15.3 Solutions



Solution

Create a personal auto submission with conditions that generate UW Issues.

1. Create a new person account for Anna BamberXX

a) Anna's home address is 1212 Dayton Street, Portland, Oregon 97201

2. Create a new Personal Auto Submission for Anna; add her son Jay BamberXX as a driver

a) Add an existing driver, Anna BamberXX:

Date of Birth = a date resulting in Anna being 45 years old

License # = 12

License State = Oregon

b) Add a new driver, Jay BamberXX:

Date of Birth = a date resulting in Jay being 22 years old

License # = 34

License State = Oregon

c) Enter other details on the roles tab for both drivers:

Year First License = a relative date

Number of Violations = 0

Number of Accidents = 0

d) Create a vehicle:

VIN # = 4

Cost new = \$200,000

License State = Oregon

Add Anna BamberXX as a driver with 75%

Add Jay BamberXX as a driver with 25%

3. Select coverages and quote the policy

Did this raise any UW issues? Which ones?

Yes, there is an UW Issue “High-value vehicle”, that is blocking bind and an informational Issue of type “Driver under 25”. See the Risk Analysis page.

The screenshot shows a web interface titled "Risk Analysis". At the top, there are three green buttons: "Add UW Issue", "Add Contingency", and "Request Approval". Below these are five tabs: "UW Issues" (selected), "Contingencies", "Prior Policies", "Claims", and "Prior Losses". Under the "UW Issues" tab, there are five buttons: "Approve", "Reject", "Reopen", "History", and "View Issue". The main content area displays a table of issues:

Blocking Bind	
<input type="checkbox"/> High-value vehicle	\$200,000.00
Informational	
<input type="checkbox"/> Driver under 25	22

4. Update the vehicle's cost

The agent communicates Anna and informs her that the car is a “high-value vehicle” since the price is \$200,000. It would require approval from an underwriter. Anna corrects him that the car is not that expensive, and costs \$20,000. An extra zero was accidentally added to the vehicle value and is corrected by the agent.

5. Quote the policy

Are there any blocking issues now?

No blocking issues. One informational issue - Driver under 25.

6. Issue the policy

15.4 References

15.4.1 Underwriting rule fields

PolicyCenter uses the UW Rule to define the UW Issue Type and specify the conditions to raise the issue. The Underwriting Rule Screen can be divided into several categories.

1. Fields related to defining the UW Rule

- **Name** for identifying the UW rule in the admin UI (UW Rule, Authority Profile)
- **Code** uniquely identifies the UW issue type
- Description for the UW issue type in the admin UI (UW Rule, Authority Profile)
- **Enabled** specifies whether the Rule will run in the current environment
- A **checking set** represents a point in a job where issues can be raised such as pre-quote, bind or pre-issuance.
- A **blocking point** stops progress of the job until an issue is approved. You can detect issues early, but then block at a later point.

2. Fields related to raise the UW Issues

- The **Applicability criteria** restricts when the rule can be triggered
- The **Rule Context** supplies data to be used by the rule conditions and issue details
- The **Rule Condition** uses expressions constructed with the available context objects
- **Issue key** is a string, UW Issue, that associates it with a particular instance of the issue
- A combination of **IssueType** and **IssueKey** uniquely identify each UW Issue for that policy. Usually permanent fixed IDs that will not change over time such as VIN for a vehicle.

Note: Guidewire recommends that you do not change the algorithm for forming the key for an issue once that rule is in production. If you change the algorithm, the current issues will be treated as orphans. New copies will be created, requiring new approvals or rejections.

3. Fields related to the approval of UW Issues

- **DefaultDurationType** specifies DurationType property on new approvals that indicates when an approval will expire. When determining the validity of the approval, the application looks at the effective date of the current job and future jobs.
- **AutoApprovable** specifies whether an issue needs underwriter approval or will be approved automatically at the default level if user has the proper authority.
- **DefaultEditBeforeBind** is used to specify the default value of the EditBeforeBind property on new approvals, which determines whether to remove or save the approval if the policy is edited before binding.
- **DefaultApprovalBlockingPoint** specifies the default approval blocking point when an issue is opened for approval.
- Value Comparator defines how to compare issue values to specify if it is within the authority granted to a user and within the associated value of an approval.
- Value Format Type defines which output formatter to use. The formatter types allow the presentation of values in a localizable and consistent manner in the user interface.
- **DefaultValueAssignmentType** specifies how to compute a default approval value from the value of the issue. PolicyCenter uses this value if the Comparator is set to *At Least* or *At Most*.
 - **Null** - Set this value to null for issues that have a non-numeric value or that do not have an associated value.
 - **Fixed** - The default approval value is copied directly from the issue value.
 - **Offset Amount** - The DefaultValueOffsetAmount is added to (or subtracted from) the issue value to produce the default approval value. Use this setting only with issues that have a numeric value.
 - **Offset Percentage** - The DefaultValueOffsetAmount is treated as a percentage increase or decrease. The issue value is offset by that percentage to produce the default approval value. Use this setting only with issues that have a numeric value.
- **DefaultValueOffsetAmount** is used only if DefaultValueAssignmentType is Offset Amount or Offset Percentage.
 - This field is the associated value or percent to use in the offset calculation. Positive values of DefaultValueOffsetAmount will produce a default approval value that is somewhat riskier than the issue value. For example, the at most comparator can be used to determine the risk associated with the value of a car. If the UW rule has 10% offset and the car has a value of \$200,000, the user with the right authority can approve a car with a value as high as \$220,000.



For more information about the UW Rule fields, refer to the PolicyCenter Application Guide.

15.4.2 Authority profile limits what a user can approve

A vehicle is valued at \$120,000, and the authority profile is set as At Most \$125,000. In the UW rule for High-value Vehicle, the offset approval has been set to 10%.

The approval screen shows an At Most value of \$132,000 ($120,000 + 10\% \text{ of } 120,000 = 120,000 + 12,000 = 132,000$) as defined in the Underwriting Rule. However, since the UW has an approval limit of \$125,000, the \$132,000 value must be changed to \$125,000 before it can be approved. Otherwise, the system will throw an error as shown in the screenshot.

- Try to approve the issue and error occurs, because the calculated value (132,000) is greater than the limit (125, 000) set by the underwriter's authority profile.

Risk Approval Details

[Return to Risk Analysis](#)

*** Errors:**

Current user does not have authority to create approval for issue 'High-value vehicle' with reference value '132000.00 usd'.

High-value vehicle

Vehicle 2004 Chevrolet Malibu in California has a stated value of \$120,000.00

Current value: \$120,000.00

New Approval

	Value	Allow Edit?
At most (monetary)	132000.00	<input checked="" type="radio"/> Yes <input type="radio"/> No

- Change the value on the approval screen from 132,000 to 125,000. Then, UW can approve the issue.

Risk Approval Details

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High-value vehicle

Vehicle 2004 Chevrolet Malibu in California has a stated value of \$120,000.00

Current value: \$120,000.00

History

User	Date	Effective Date	Policy Transaction	Value	Allow Edit?	Through	Valid until	Status
Alice Applegate	01/08/2018	01/06/2018	Submission #0000110272	Up to \$125,000.00	Yes	Issuance	Next Change	Approved
(Alice Applegate)	01/08/2018	01/06/2018	Submission #0000110272	\$200,000.00		Quote Release		Created