

Lesson 2 Creating Payments

In this section, you create a claim with several incidents, exposures, and reserves. Because you will be using this claim for several lessons, it is detailed.

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>.

2.1 Exercise: Create a claim



Activity

In this exercise, you create a claim for an individual who has a policy with Succeed Insurance. You may have created a similar claim in another ClaimCenter course. Even if you created one earlier, create this one and keep track of the claim date or claim number so you can use it in following exercises.

Note: Your instructor will assign you a two-digit number. Whenever you see an "XX" in the exercise instructions, replace the "XX" with your two-digit number. For example, if your two-digit number is 07, then when you see an instruction to search for "Kevin SmithXX", you should search for "Kevin Smith07".

1. Log in to ClaimCenter as studentXX / gw (where XX is your assigned number)
2. What is the name of the user with user ID studentXX?

The transcript that follows comes from a customer phone call received by Succeed Insurance which details a first notice of loss. Based on this transcript, create a claim using the full New Claim wizard (not the Quick Claim wizard).

In creating this claim:

- Assume that the phone call was received on the same day that you are doing this exercise.
- Create vehicle incidents for every damaged vehicle and detail the driver of the vehicles.
- Create injury incidents for every injury.
- Do not assign the claim using automated assignment rules. Assign the claim to studentXX.
- For data that is required but not specified in the transcript, use any value.

Note: Be sure to capture the address information provided for all claimants. If this is not possible on the ordered steps of the wizard, navigate to the screen in the independent steps that includes the address fields.

Note: Replace the "XX" in all names that follow with your two-digit student ID.

Transcript

Hello. My name is Kevin SmithXX. My policy number is 123456-XX. I was involved in an accident yesterday and I want to report it.

You want to confirm my contact information? I live at 1024 Glenwood Avenue in Waukegan, Illinois. It's probably best to call me on my home phone. It's (312) 336-6210. Yes, I should be the person you contact for questions about this claim. The accident involves my Honda Civic. You should already have it, but if not, my Illinois driver's license number is IL8852562.

The accident occurred at the intersection of McAree Road and Grand Avenue in Waukegan, Illinois. I was driving my Honda Civic on Grand Avenue traveling north. I was trying to make it through a yellow light, but I couldn't. I hit the brakes, but there was oil on the road. I skidded into the intersection and hit a car traveling west on McAree. My car has significant damage across the entire front of the car. I did not get a citation, but the accident was my fault.

The other vehicle was a 2002 Ford Fiesta with an Illinois license plate of 223RFT. The left side of the other car is fairly smashed up, including damage to the driver-side door.

It was driven by Michael CashmanXX. He lives at 713 Leith Avenue, Waukegan, Illinois, 60087. His cell phone number is (312) 343-2909. His Illinois driver's license number is IL2665748.

Mr. CashmanXX was taken to the hospital because of his broken left arm.

I have been to the doctor since the accident and have a concussion.

Yes, my car will need servicing by an auto body repair shop, but I'm not sure which shop I'll be taking it to. I will let you know later. I don't need any services right now.

IMPORTANT: Do not assign the claim using automated assignment rules. Go to the "Save & Assign Claim" step and assign the claim to yourself.

2.2 Solution: Create a claim



Solution

1. Log in to ClaimCenter as Sam TudentXX (user: studentXX, password: gw).
2. What is the name of the user with user ID studentXX?

Sam TudentXX

The Loss Details should look something like the following. There should be 4 Incidents; 2 vehicle exposures and 2 injury exposures.

Vehicles (1 - 2 of 2)					
Make	Model	Plate	State	Loss Party	Driver
Ford	Fiesta	223RFT	Illinois	Third-party liability	Michael Cashman
Honda	Civic	1JXZ199	Illinois	Insured's loss	Kevin Smith99

Properties (empty)		
Address	City	State

Injuries (1 - 2 of 2)		
Name	Severity	Description
Michael Cashman	Moderate	Broken left arm
Kevin Smith99	Moderate	Concussion

2.3 Exercise: Create exposures and reserves



Activity

In this exercise, you add exposures and reserves to the claim you just created.

You continue this practice as StudentXX.

1. Open the claim you just created.
2. Look at the Loss Details. How many incidents are there?

Explore the rest of the claim.

3. How many exposures are there?
4. How many reserves are there and what are they for?

The exposures and reserves that are on the claim were created automatically because of a rule that has been implemented. In the next section, you create exposures and reserves for the rest of the incidents on this claim.

5. Create an exposure to cover the cost of the injury to Kevin SmithXX.
6. Create a reserve in the amount of \$2,000.00 for the claim cost of the medical payments exposure.
7. Create an exposure to cover the cost of the injury to Michael CashmanXX.
8. Create a reserve in the amount of \$6,000.00 for the medical claim cost of the liability exposure.
9. Create an exposure for the repair of Mr. CashmanXX's vehicle.
10. When you created the exposure, ClaimCenter created reserves automatically. As an adjuster, you have found that the automatic reserve is low for the type of damage to Mr. CashmanXX's car. Update the reserve amount to \$3,000.00 for the claim cost for repair of Mr. CashmanXX's vehicle.
11. What is the total gross incurred for the claim?

2.4 Solution: Create exposures and reserves



Solution

1. Open the claim you just created.
2. Look at the Loss Details. How many incidents are there?

4

Explore the rest of the claim.

3. How many exposures are there?

1

4. How many reserves are there and what are they for?

2: claim cost / auto body and expense vehicle inspection

The exposures and reserves that are on the claim were created automatically because of a rule that has been implemented. In the next section, you create exposures and reserves for the rest of the incidents on this claim.

5. Create an exposure to cover the cost of the injury to Kevin SmithXX.

(2) 1st Party Med Pay - Kevin Smith99

[Details](#)
[ISO](#)

Exposure	
Loss Party	Insured's loss
Primary Coverage	Medical Payments
Coverage Subtype	Medical Payments
Coverage	Policy Level Coverage (Medical Payments)
Adjuster	Sam Tudent99
Group	Training Group 99
Status	Open
Created Via	User Entry
Create Date	01/04/2023
Validation Level	Ability to pay

6. **Create a reserve in the amount of \$2,000.00 for the claim cost of the medical payments exposure.**
7. **Create an exposure to cover the cost of the injury to Michael CashmanXX.**

(3) 3rd Party Bodily Injury - Michael Cashman

[Edit](#)
[Assign](#)
[Close Exposure](#)
[Create Reserve](#)
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[Refresh Res](#)

[Details](#)
[ISO](#)

Exposure	
Loss Party	Third-party liability
Primary Coverage	Liability - Bodily Injury and Property Damage
Coverage Subtype	Liability - Bodily Injury
Coverage	Policy Level Coverage (Liability - Bodily Injury and Property Damage)
Adjuster	Sam Tudent99
Group	Training Group 99
Status	Open
Created Via	User Entry
Create Date	05/08/2018
Validation Level	Ability to pay

8. Create a reserve in the amount of \$6,000.00 for the medical claim cost of the liability exposure.
9. Create an exposure for the repair of Mr. CashmanXX's vehicle.

(4) 3rd Party Vehicle - Michael Cashman

Edit

Assign

Close Exposure

Create Reserve

Send To ISO

Refresh Res

Details

Total Loss Calculator

ISO

Exposure

Loss Party	Third-party liability
Primary Coverage	Liability - Bodily Injury and Property Damage
Coverage Subtype	Liability - Vehicle Damage
Coverage	Policy Level Coverage (Liability - Bodily Injury and Property Damage)
Adjuster	Sam Tudent99
Group	Training Group 99
Status	Open
Created Via	User Entry
Create Date	05/08/2018
Validation Level	Ability to pay

10. When you created the exposure, ClaimCenter created reserves automatically. As an adjuster, you have found that the automatic reserve is low for the type of damage to Mr. CashmanXX's car. Update the reserve amount to \$3,000.00 for the claim cost for repair of Mr. CashmanXX's vehicle.
11. What is the total gross incurred for the claim?

\$14,500

Financials: Summary			
View	Exposure		
		Open Recovery Reserves	Remaining Reserves
▼ Claim Total			\$14,500.00
▼ (1) 1st Party Vehicle - Kevin Smith99 - Collision			\$3,000.00
▼ Claim Cost			\$2,500.00
Auto body USD	▼		\$2,500.00
▼ Expense - A&O			\$500.00
Vehicle inspection USD	▼		\$500.00
▼ (2) 1st Party Med Pay - Kevin Smith99 - Medical Payments			\$2,000.00
▼ Claim Cost			\$2,000.00
Medical USD	▼		\$2,000.00
▼ (3) 3rd Party Bodily Injury - Michael Cashman - Liability - Bodily Injury and Property Damage			\$6,000.00
▼ Claim Cost			\$6,000.00
Medical USD	▼		\$6,000.00
▼ (4) 3rd Party Vehicle - Michael Cashman - Liability - Bodily Injury and Property Damage			\$3,500.00
▼ Claim Cost			\$3,000.00
Auto body USD	▼		\$3,000.00
▼ Expense - A&O			\$500.00
Vehicle inspection USD	▼		\$500.00

2.5 Exercise: Create payments



Activity

In this exercise, you create payments for the Kevin SmithXX claim.

You continue this practice as StudentXX.

- If it is not open, open the claim you just created.**
- Create a check to Kevin SmithXX that includes the following payments:**
 - \$900.00 for an initial payment to repair his car. This is for a deposit he had to give the garage. This is a partial payment and you should apply the deductible.
 - \$300 for the inspection (he paid for that himself). This payment is final.
 - \$600 for the medical Payments for Mr. Smith. This is for the payment he had to give the doctor for the examination and tests. We expect more costs to come in so this is a partial payment.
- Create a check to Michael CashmanXX that includes the following payments:**

- e) \$4,000.00 for hospital bills for his broken arm. We expect more bills to come in so this is a partial payment.
- f) \$200.00 for his vehicle inspection. This is a one-time cost and is a final payment.
- g) \$1200 for the initial costs to repair his vehicle. This is a partial payment.

4. What is the total amount paid for this claim so far?

5. What is the -\$200 transaction for?

6. What is the amount of the total remaining reserves?

2.6 Solution: Create payments



Solution

1. If it is not open, open the claim you just created.

2. Create a check to Kevin SmithXX that includes the following payments:

- a) \$900.00 for an initial payment to repair his car. This is for a deposit he had to give the garage. This is a partial payment and you should apply the deductible.
- b) \$300 for the inspection (he paid for that himself). This payment is final.
- c) \$600 for the medical Payments for Mr. Smith. This is for the payment he had to give the doctor for the examination and tests. We expect more costs to come in so this is a partial payment.

HINT: If you did not add an injury description on the exposure details, the exposure will not be at ability to pay.

3. Create a check to Michael CashmanXX that includes the following payments:

- a) \$4,000.00 for hospital bills for his broken arm. We expect more bills to come in so this is a partial payment.
- b) \$200.00 for his vehicle inspection. This is a one-time cost and is a final payment.
- c) \$1200 for the initial costs to repair his vehicle. This is a partial payment.

4. What is the total amount paid for this claim so far?

\$6700

5. What is the -\$200 transaction for?

To zero the vehicle inspection expense for Mr. Smith's car. The inspection only cost \$300 and the reserve was for \$500.

6. What is the amount of the total remaining reserves?

\$7300