

AS/400 Processing

Note: Personal comments are in *italics*.

DCC Premium Allocation Processing

- 1) (MOB258) Read the BILDTLP (Billing Detail table) and look for correct billing period, if none found, exit.
- 2) (MOB290) Read the BILDTLP (Billing Detail Table), if it is the correct billing period; it's not locked, and it's not sovereign, pass the information to MOB292
- 3) (MOB292) Using CMPMSTP (Component Master), LONMSTP (Loan Master), and NATPNOP (National Penn. Takeover business, just contains Agent Number, Cert #, Coverage Code, Life Rate, Disability Rate), calculate "Component" Premium.
 - a. If there is a match in NATPNOP, then those rates are used, otherwise, use the rate from CMPMSTP (Component Master)
 - i. If there is no Component Record then exit; this is not a debt protection policy!
 - ii. If there is a component master record, AND the effective date is in range...
 - iii. If the coverage is still within the term of the loan...
 - iv. If the component = 'LIFE' then the commission rate = the life rate
 - v. If the component = 'DIS' then the commission rate = the disability rate
 - b. The following calculations are performed:

```
CmpMstAmnt = (PrAmnt * CmRate) * .0100
CmpMstUsed = (CmpMstUsed + CmpMstAmnt)
CmpMstDiff = (CmpMstAmnt - CmpMstUsed)
If PrAmnt > .25 And CmpMstDiff <= .02 and CmpMstDiff >= -.02
    THEN CmpMstAmnt = CmpMstAmnt + CmpMstDiff
```

I'm not sure why there is a 5 cent rounding adjust, unless the developer just didn't know how to properly do rounding.

This formula should be something like:
CmpMstAmnt = ((Int(PrAmnt * CmRate) + .5) * .01) ... This would be the proper way to do partial-cent rounding (rounding up or down as necessary)

- 4) (MOB293) Determine Bank Fees for the Component Premium using FEEMSTP (Fee Master) and AGTDTLP (Agent Detail)
 - a. If there is no fee master record then exit to the ReInsurance Program (MOB295) to write out to the CMPALCP table.
 - b. If there is a fee master record, find the record that is in the effective date range
 - c. If the rate = 0 Then
 - i. Get the maximum benefit from Agent Detail
 - ii. Determine the balance amount based off of the billing detail table
 - iii. Determine the fee based off of the fixed factor
 1. If the FMRate <> 0 then the method is 'Percentage'
 2. Else if the FMRate = 0 and the Factor > 0 then method is 'Factor'
 - iv. If Factor = 'Percentage' use the following:

```
FeeMstAmnt = (PrAmnt * FmRate) * .0100
FeeMstUsed = (FeeMstUsed + FeeMstAmnt)
```

```
FeeMstDiff = (FeeMstAmnt - FeeMstUsed)
If PrAmnt > .02
```

```
If FeeMstDiff <= .02 and FeeMstDiff >= -.02
```

```

FeeMstAmnt = FeeMstAmnt + FeeMstDiff
EndIf
EndIf

```

*FeeMstAmount = PremiumAmount * Rate * .01*
Accumulate FeeMstUsed by FeeMstAmount
This has the rounding adjustment again, should be done in the way mentioned above instead of this 5 cent business...

v. If Factor = 'Factor' then use the following:

```

FeeMstAmnt = (ObAmount * (FmFctr / FmBase))
FeeMstUsed = (FeeMstUsed + FeeMstAmnt)
FeeMstDiff = (FeeMstAmnt - FeeMstUsed)

```

*FeeMstAmount = (Maximum Benefit Amount * (Fixed Factor / Fixed Factor Basis))*
Accumulate FeeMstUsed by FeeMstAmnt
Note that it is doing the difference calculation again, but not ever using it.

Note: The spreadsheet says that it proceeds to MOB294, however, there are no records in the FEEDTLP (Fee Detail table), so it proceeds instead to MOB295. MOB294 is completely unused.

- 5) (MOB295) Write to the Component Allocation Table – CMPALCP – All of the calculations and fees are written to CMPALCP.

(MOB268) – Reads from CMPALCP (Component Allocation Table), write to PRMSUMP (Premium Summary File)

- 1) PRMSUMP uses Agent, Year, Month, Component Code, Fee Description and Allocated Cost
- 2) The SMAAMT is cumulative by Agent and Component for Year / Month, see screen shot:

 Contents of CEMOB.PRMSUMP - 172.18.2.5(S1075702)

	SMAGNT	SMYEAR	SMMTH	SMCMPT	SMDSCM	SMAAMT
1	D10000	2004	4	DIS	Bank Fee	69.3800
2	D10000	2004	4	DIS	TPA Fee	26.3896
3	D10000	2004	4	DIS	CLP Fee	77.6803
4	D10000	2004	4	IU	Bank Fee	28.5500
5	D10000	2004	4	IU	TPA Fee	10.6349
6	D10000	2004	4	IU	CLP Fee	32.1900
7	D10000	2004	4	LIFE	Bank Fee	80.1994
8	D10000	2004	4	LIFE	TPA Fee	30.2327
9	D10000	2004	4	LIFE	CLP Fee	90.0663
10	D10000	2004	4	AD	Bank Fee	1.2828
11	D10000	2004	4	AD	TPA Fee	.5580
12	D10000	2004	4	AD	CLP Fee	1.3662
13	D10000	2004	5	DIS	Bank Fee	67.4770
14	D10000	2004	5	DIS	TPA Fee	26.1807
15	D10000	2004	5	DIS	CLP Fee	75.0351
16	D10000	2004	5	LIFE	Bank Fee	69.6727
17	D10000	2004	5	LIFE	TPA Fee	26.4110
18	D10000	2004	5	LIFE	CLP Fee	78.0977

So, for agent D10000, year 2004, month 4, component "DIS" (disability), there were 3 fees associated; a bank fee, a TPA fee, and a CLP fee. The SMAAMT is the total for all certificates that

matched that criteria; the SMAAMT table is not broken out by certificate, but it IS broken out by component and fee type.