MAJESCO

The Future of Insurance Starts Here

Surcharges Plugin

AGENDA

- Introduction Surcharges
- Types of Surcharges
- Steps to add Surcharges
- Surcharges Attributes
- Fees
- Database Tables
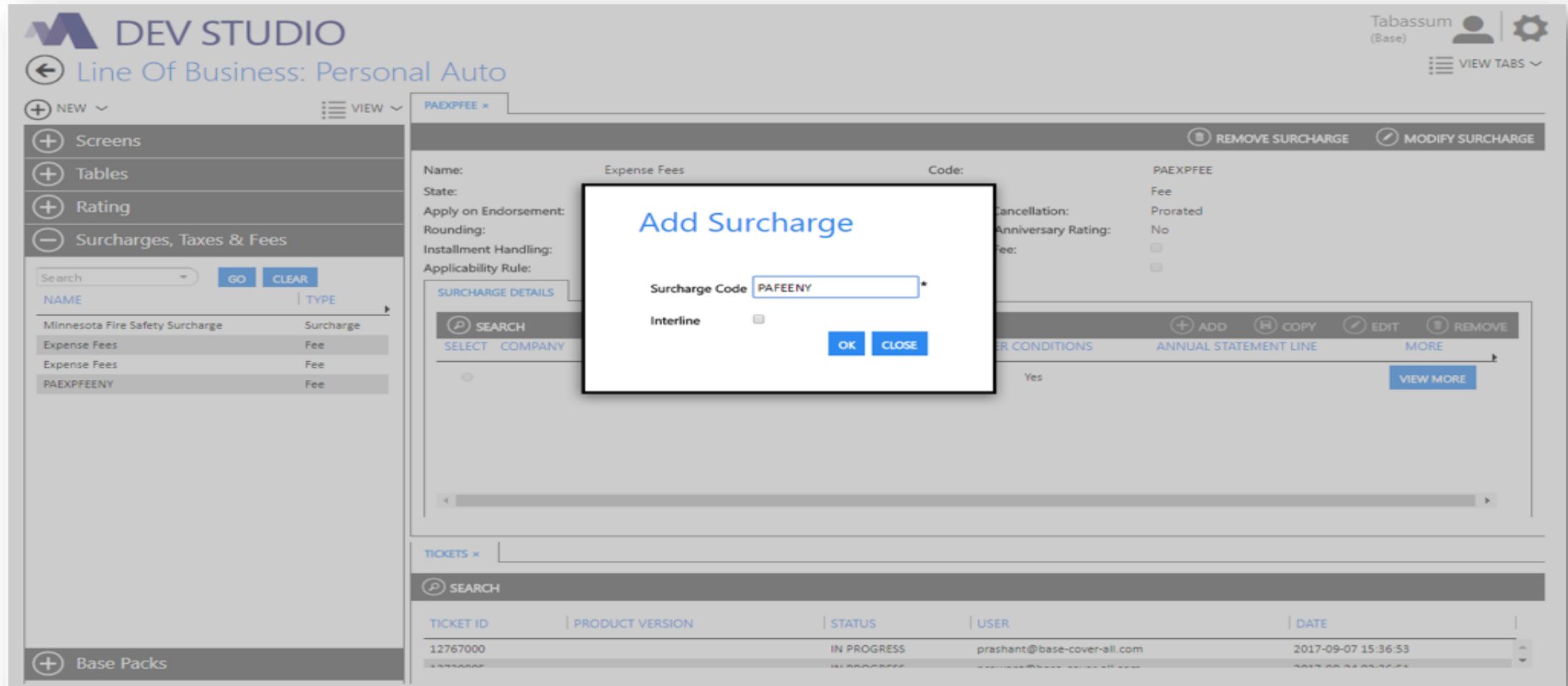- Configure Surcharges/Fees

Introduction Surcharges

- An insurance surcharge is an additional charge on an insurance policy which is usually based on rating factors.

- An insurance surcharge may also be charged by the government for certain types of rating categories, or to help cover overall insurance costs.

- Surcharge information is provided by ISO (Insurance Services Office, Inc.).

- It can be a fixed amount or based on some percentage calculation (often on the base premium).

MAJESCO

Types of Surcharge

- There are three types of surcharges:
  - Fee
  - Surcharge
  - Tax
- For example, if ISO stipulates that for Commercial Auto in California State, the Fixed Surcharge would be $34.3 and for Texas, it would be 5.6% on Commercial Auto premium.
- The codes of surcharges and fees should be in below format.
- Syntax : SURC/FEE/TAX-STATECODE- actual surcharge code
- Example : SURC-NY-LARGAUT, FEE-CA-PLIGAFE, TAX-TX-KYMT

Steps to add Surcharges

- Steps to add Surcharges from Dev-studio plugin as below:

Steps to add Surcharges

- Set state_name and unique state_code & select type of surcharges.
- State name defined here will be seen in Premium Summary page.

Surcharges Attributes

Attribute	Description
Name	Description of the surcharge according to business requirement. It is mandatory field e.g. Minnesota Fire Safety Surcharge.
Code	Code is used for internal purpose by system. e.g. SI_MFSS. This code is used for unique identification of the particular surcharge.
State	State is used for particular state. i.e. Minnesota. It is mandatory field. Currently our system supports only state specific Surcharge.
Type	Type field is used for identifying the transaction. It is mandatory field. e.g. surcharge ,Tax, Fee.
Apply on Endorsement	This field identifies that if this surcharge applies on endorsement or not. So If we choose the field value as YES then the surcharge is calculated for endorsement transaction.
Return on Cancellation	This field identifies if this surcharge is prorated or fully earned. It is mandatory field. If you choose the prorated option then prorated factor applies on every transaction. If you choose fully earned then at the time of cancellation no surcharge is calculated. Four different types of options are available for this field. a) Not Refundable b) Prorated c) Full Refund d) Full Earned

MAJESCO

Surcharges Attributes

Attributes	Description
Rounding	If we tick the checkbox then the surcharge amount will be rounded up to nearest whole number.
Subject To Anniversary Rating	Still not identified the use of the particular field.
Installment Handling	This field identifies the time of the surcharge collection. So if we choose the value as First Instalment then the surcharge will collect from 1st instalment. Two type of Instalment is present: a) Spread Equality b) First Instalment
Collection Fee	This field identifies if collection fee is applicable or not on surcharge tax. if we tick the checkbox then user can provide the collection fees on surcharge amount as per business requirement.
Applicability Rule	Its is advance condition if condition rule returns '0' the surcharges will be applicable. 0: True , Non-zero : False
Interline	This field identifies if the surcharge is LOB specific or not. So if we choose the checkbox then this surcharge is applicable for all the LOB.

MAJESCO

Steps to add Surcharges

- Surcharges (fees/taxes) can be defined in terms of amounts or percentage of premium. The criteria of applying fees (ex. if some coverage is selected) can also be defined.

Fees

- Define if the fees are applicable to just new business or all transactions.
- Define if fees should be charged immediately or distributed on all instalments.
- Define if the fees should be returned on prorate basis on cancellation or not.
- Indicate if the amount should be rounded, if the fee is used for one product or more than one product (interline) etc.
- Write the calculation logic in the same plugin.

MAJESCO

Add New Fees

RATE LEVELS CONFIGURED IN COVER-ALL BASE

MAJESCO

Add New Fee (continued)

Add New Fee (continued)

Database Tables

- The following two tables will contain the details of these surcharges:
- PS_SURCHARGE :

  Contains the surcharge/fees properties.

- PS_SURCHARGE_DETAILS :

  Contains the details of surcharge calculate procedure , surcharge amount etc.

MAJESCO

Configure Surcharges/Fees

- Add surcharge code in Coverage code property of Policy Screen same as we do for new coverage code.

Configure Surcharges/Fees

- Surcharge can be configure on pre-defined "Surcharge Information screen" using "Name_UK" field.

Note : Surcharge Information Screen is available under each LOB.

Configure Surcharges/Fees

MAJESCO

Configure Surcharges/Fees

MAJESCO

Configure Surcharges/Fees

Property : Data Source

LANGUAGE PL/SQL

VIEW ○ Flowchart ● Script

DATABASE ⊕

```
CREATE OR REPLACE FUNCTION advancedCriteria (
    p_entity_type IN VARCHAR2 ,  p_entity_reference IN VARCHAR2 , p_error_message OUT VARCHAR2 ) RETURN NUMBER
IS
    v_return NUMBER;
BEGIN
Select
name,
name_uk,
des,
type,
product_code,
lob,
unit_coverage,
unit_number,
unit_id,
state_code,
city_code,
city_name,
annual_fee,
transaction_fee,
is_amount_in_percent,
surcharge_amount
    RETURN v_return;
END;
```

BACK TO RULE

MAJESCO

THANK YOU!