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# COBOL

Case Study to be used for  
Hands-on Sessions



# About the Author

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# Icons Used



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**Tools**



**Hands on  
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**Coding  
Standards**



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**Reference**



**Try it Out**



**A Welcome  
Break**



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# Case Study Overview

- In the world of today everyone would like to go for Insurance for life, property, disability, and so on.
- If you go for insurance, then a set of benefits would be provided to the customer by the company.
- A set of benefits are grouped together as a product and are identified as policies.
- First, the customer needs to apply for a policy by paying the initial amount. This is referred to as *New Business*.



# Case Study Overview (Contd.)

- Once the policy is approved, then for each policy the customer holds, he or she needs to pay an amount defined earlier to the insurance company called as *Premium*.
- Premium needs to be paid by the customer in intervals defined earlier as mentioned in the terms of the policy.
- Customer can also avail *loan* on the policy up to a certain amount based on certain business rules.



# Case Study Overview (Contd.)

- Customer can also *surrender* his or her policy and avail an amount, which is a percentage of the premiums paid so far.
- Customer may also place a *claim* in case of situation for which the policy coverage supports. For example if the policy covers Disability, then the insured can raise a claim to avail the expenses incurred in treatment for his or her disability.



# Case Study Overview (Contd.)

- Insurance Administration System (IAS) is an application under ABC Life Insurance Company. IAS receives a transaction file, which needs to be validated and processed as a part of the case study. This case study is to develop the Insurance Administration System for ABC Life Insurance Company.

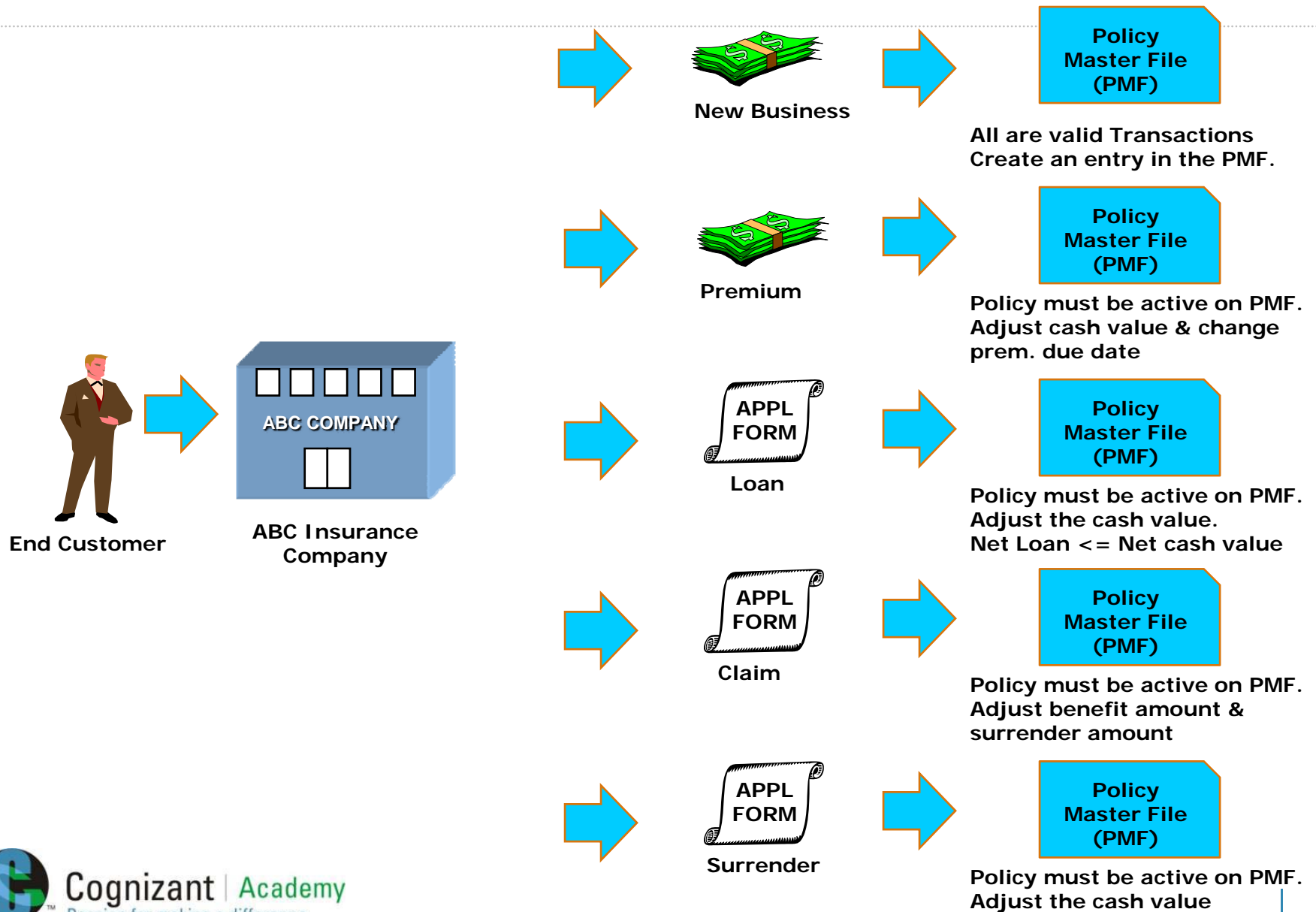
# Case Study: Claims Processing System

- The ABC Life Insurance Company receives a file of transactions, which needs to be validated so that only valid transactions are processed.
- The system can validate a transaction using the Policy Master file and update valid transactions onto the Transaction Master file.
- The Policy Master file may also be updated for certain transactions with the latest status.
- The Transaction Master file is backed up onto the Transaction History Master file daily before deleting and redefining the file the following day, to write new records.
- ABC Life Insurance company has decided to outsource the development of IAS and you have been identified to design and develop the system.





# Case Study Overview



# Case Study: Claims Processing System (Contd.)

- Requirements:

- » Write a program to validate the batch feed file.
- » A transaction could be Premium, New business, Loan, Claim, and Surrender.
- » A transaction may be considered valid under the following conditions:
  - All new business transactions should be considered valid.
  - For a Premium or Loan or Claim or Surrender transaction, the Policy Status should be Active on the Policy Master file.
  - For a Loan transaction, the Net Loan balance should be less than the Net Cash Value. Net Cash Value is a percentage of the total amount paid in terms of premiums so far.



# Case Study: Claims Processing System (Contd.)

- Requirements:
  - » The Policy Master file should be updated under the following conditions:
    - For a Premium transaction, adjust the cash value and change the premium due date
    - For a New business transaction, insert a new record
    - For a Surrender or Loan transaction, adjust the cash value
    - For a Claim transaction, adjust the benefit amount and surrender amount
  - » Create a report of all policies, which had transactions
  - » Create a report of all invalid transactions
  - » Write a sub-program to append records from the Transaction Master file onto the Transactions History Master file



# Q & A

- Allow time for questions from participants



# Source



This case study is created based on the domain knowledge on Insurance. This is not taken from any books, Web sites, or articles.

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