Guidewire version **8**.**0**. PC, BC & CC.

* Guidewire offers a set of applications designed to help insurance companies efficiently expedite their policies, billing, and claim requirements
* PolicyCenter is an application designed to issue, modify, and maintain data about policies.
* BillingCenter is an application designed to manage the billing aspects of the policy

An **insurance** **policy** is a legally binding contract between an insurance company and the person who buys the policy, commonly called the "policyholder", who also is often the person insured.

**Premium** is the periodic payment made on an insurance policy

Insurer is an individual or company who, through a contractual agreement, undertakes to compensate specified losses, liability, or damages incurred by another individual

Insured is the person who obtains or is otherwise covered by insurance on his or her health, life, or property

**Policy life cycle** – Approach agent-prequote-UWapproval-Bind-Policydocs&forms

* Customer approaches the agent to apply for an insurance policy.
* Agent provides the details of the customer requirements to the underwriter and the premium is quoted based on the customer’s risk conditions – prequote.
* After proposal acceptance, the same is communicated to the customer and the customer is expected to pay the first premium.
* Once the premium is paid, the policy becomes active.The customer undergoes claims services when an incident/accident is reported when the policy period is active.

**Quote** – An estimate or forecast of the premium amount of policy that is being taken in near future.

**Prequote** – non bindable. **Full** applicable **quote** – bindable.

**Copy submission** - you can copy submission information from an existing submission to create a new submission.Copying saves, your data entry time and lessens the chance of errors.

A **policy change** job is a modification made to a policy while it is in-force. **Endorsement** – policy holder initiated. **Amendment** – changes due to State rule etc.

**Policy Review** Once you are done with the modifications, you can review changes made to the policy on the **Policy Review** screen. It is an easy way to identify exactly what the transaction is changing or has changed.

**Out of sequence** jobs is nothing but the jobs whose effective date is before the effective date of a previous job on the same policy.

A **preemption** The changes made in the OOS transaction will be applied to the already existing transaction too. /can occur if two jobs are open on a policy at the same time. PolicyCenter handles preemptions by merging the changes made in the preempting job with the changes made in the preempted job. Preemptions are not unique to policy change jobs; they also occur in audit, cancellation, reinstatement and renewal jobs.

**Renewal** When the policy nears its expiration date, carriers wish to keep that business and offer the policy again for another policy period.

**Automatic Renewal** Policy Center has a batch – “policy renewal start” process that automatically finds policies that are ready for renewal. Policy Center starts renewals based upon the expiration date, the renewal process lead time, line of business, jurisdiction, and time of year

**Manual Renewal** There may be times that you need to start the process manually. For example, you may want to start a renewal job earlier than the predetermined number of days. Or you may want to start a renewal job if the insured originally declined the renewal, then changed their mind, and now requests that their policy be renewed.

**Unconfirmed Renewal** – Payment yet to be made. **Conformed** **renewal** – payment made

**Renewed –** The policy is renewed for another period of time.

**Not Taken –** The insured declines the offered policy, and Policy Center marks the renewal as not taken**.**

**Not Renew –** The carrier decides not to renew the policy, and the policy expires on the expiration date. Non Renew reasons – Insured request, losses and payment history.

**A Pre-renewal direction** is special note which tells how to handle the renewal i.e. to determine underwriter’s attention is needed or not. Reasons to use Pre-renewal directions are,

* The policy has become high risk, so an underwriter now must review it.
* The claims department finds that the policy has too many outstanding claims, therefore the insurer will not renew the policy.
* The insured contacts the producer and indicates that a better rate can be found through a competitor, so the insured will not take the policy.

Types - **Non Renew -**  which indicates not to renew the policy.

**Not taken** - which indicates that the insured did not take the renewal policy.

**Refer to an individual for review** - means that a person needs to manually review the policy before deciding its outcome. This person can be an underwriter, a customer service representative, or an underwriter assistant

**Rewrite** Carriers may choose to rewrite a policy when the policy has errors or significant changes. For example, the producer reviews the policy documentation before it is sent out and notices that the name of the insured is misspelled.

Rewriting a policy is the only way to change the agency information or the underwriting company selected for the policy.Pay plans can be changed during rewrite.

Rewrite Full term – when cancel reason is rewritten or replaced (Flat cancel).

Rewrite new term – other cancel reasons - Effective Date is set to the cancellation date. You can change Effective Date to a later date but not an earlier date. Changing to a later date creates a lapse in coverage.

**Cancellation** job is the process of voiding a policy while it is in force.

Insured cancels the policy for the reasons including - Policy not taken - a billing system can initiate a cancellation for non-payment of premiums or rescind a cancellation after receiving payment**,** Out – of –business - the insured calls to cancel their business owners policy because they are no longer in business

Refund methods –

Flat: Carrier refunds the total amount of the policy, if the policy is not become effective

Pro Rata : The carrier bills the policyholder for the time that the policy that was already in effect.(unearned is returned)

Short Rate: The carrier charges the policyholder a penalty in addition to the pro rata amount.

**Rescind Cancellation –** Cancelling to inforce.

**Reinstatement –** cancelled policy to inforce

* Effective date equal to cancellation date
* No lapse in coverage

**Forms –** Physical representation of an insurance policy.

Static forms – Fields/content not changed

Dynamic forms – Fields/content changed based on policy info

Declaration forms – Contains summary of all exposures and coverages.

**Underwriter** - An employee of carrier who determines if its economically advisable to insure an applicant and if so at what cost.

**UW Issue** - An underwriting issue is created when a condition evaluated, based on data in PolicyCenter, gives undesirable results. UW issues can stop jobs unless approved.

Lock for Review Button Locks the policy for underwriting review. The policy cannot be edited until you release the lock

Release lock UW releases the quote back for agent to view and quote submission.

**Activity** - In PolicyCenter, there can be many tasks that need to occur before a job can finish. A submission that has a high level of risk might need to be reviewed by an underwriter before it can be issued. More than one user may perform these tasks, and these tasks may be handled at different times. In PolicyCenter, these tasks are associated with an account, policy, or a job. PolicyCenter tracks these activities until they are completed.

**MVR** MOTOR VEHICLE RECORD – Driver record is tracked. Ex – violations and accidents

**PRODUCER** - Middle man who connects accounts to carrier.

* Works with multiple carriers and knows which is best for applicant needs.
* Commission will be paid by carrier to producer when policy goes effective.

**Notes** - Detailed record of actions of a policy center.

**NSA** – Non Standard Auto – It is sold to drivers whose risk factors are high. Premium will be high.

**Powersports –** drivers with lower risks. High capacity motorcycles. Sports bikes.

**NSA Policy types –**

**Auto liability –** Includes both BI and PD liability coverages.

**Broadform** – It covers only one named driver with minimal liability insurance.

**Named non owner** – Insurance provides liability coverage when you are renting a vehicle or borrowing someone’s car.

**Coverages –**

**Bodily injured –** Provides protection if you injure or kill someone else while driving your car. It pays for the injured party’s claim for damages, medical expenses, lost wages.

**Property damage** – pays for any damage caused by insured to another vehicle or property. Your legal defense if you are sued.

**Medical Payment** – pays for insured/passengers’ medical expenses like surgery or x-rays regardless of who is at fault.

**Personal Injury protection** – PIP is similar to med pay coverage, it pays for medical expenses and child care services, lost wages.

**Rental reimbursement** – Pay for rental vehicle while insureds vehicle is being repaired.

**Comprehensive coverage** –Theft, fire, natural disasters, Damage done by animals, civil disturbances, vandalism.

**Collision Coverage** – Pays for damage to your vehicle if you are involved in an accident.

**Deductible** - In an insurance policy, the deductible is the amount that must be paid out of pocket by the policy holder before an insurance provider will pay any expenses. If $100 is deductible amount then for any loss below or up to $100 the insured will be bearing and anything above $100 will be paid by insurer.

**Co-Insurance** – Amount that an individual is required to pay for services after a deductible has been paid. Example – insured pays 20% and remaining is paid by insurer.

**Subrogation** – Legal right held by insurance companies to pursue a 3rd party that caused loss.

**Salvage** – Right of insurer to claim ownership on which they have paid claims. Ex – total loss in case of car accident.

**Peril -** The cause of loss, for example, fire, wind, vandalism, or accident. (See economic perils, human perils, and natural perils.)

**Hazard** - A condition which may lead to a loss, such as oily rags leading to a fire.