

Payments

Lesson objectives

By the end of this lesson, you should be able to:

- Define financial terms used by ClaimCenter for managing payments
- Create checks
- Apply deductibles
- Create and pay out auto first and final claims

This lesson uses the notes section for additional explanation and information.

To view the notes in PowerPoint, choose View→Normal or View→Notes Page.

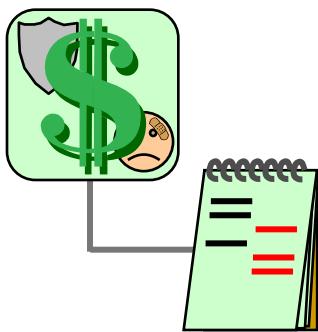
If you choose to print the notes for the lesson, be sure to select “Print hidden slides.”

Lesson outline

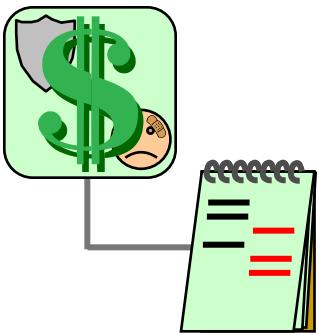
- ▶ Payment basics
- ▶ Creating checks
- ▶ Deductibles
- ▶ Auto first and final

Checks and payees

Coverage:
Collision



Coverage:
Med. pay.



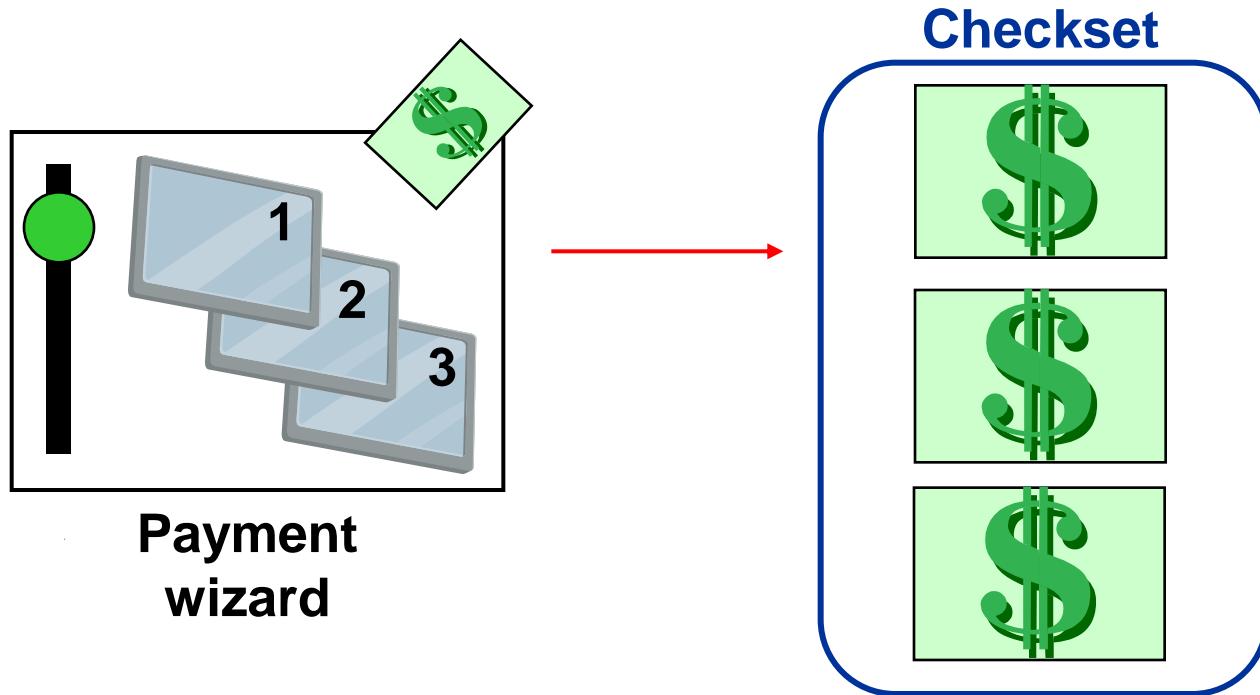
Check



Ray Newton
(Payee)

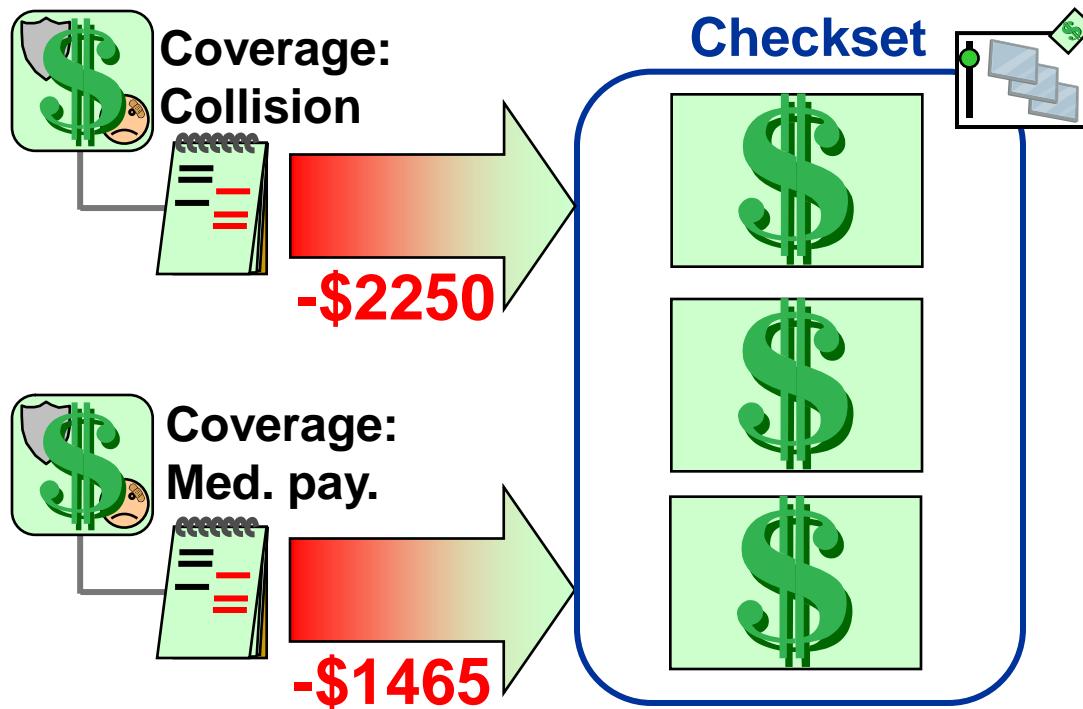
- ▶ A check is a single transfer of money from one or more reserve lines to one or more individuals or organizations
- ▶ A payee is a person to whom a check is made payable
 - Payees include both claimants and people who provided services for the claim (such as inspectors)

The payment wizard



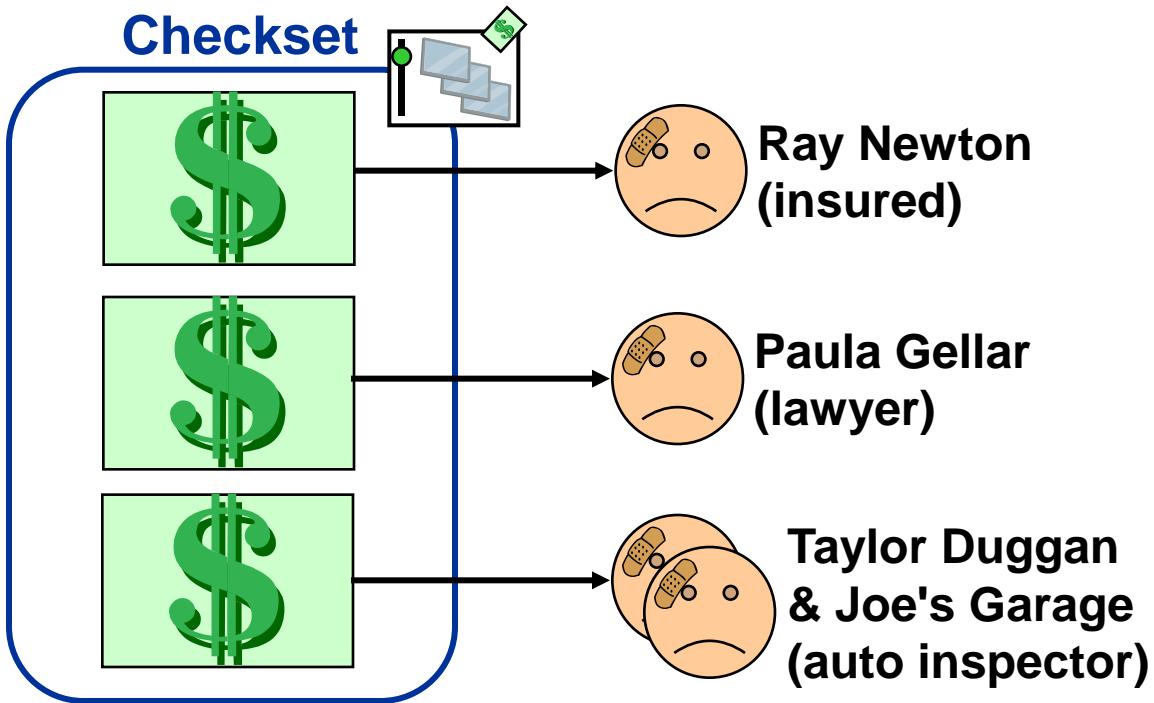
- ▶ The payment wizard is a series of screens used to create checks
 - Every iteration of the payment wizard creates a "checkset", which contains one or more checks

Payment transactions



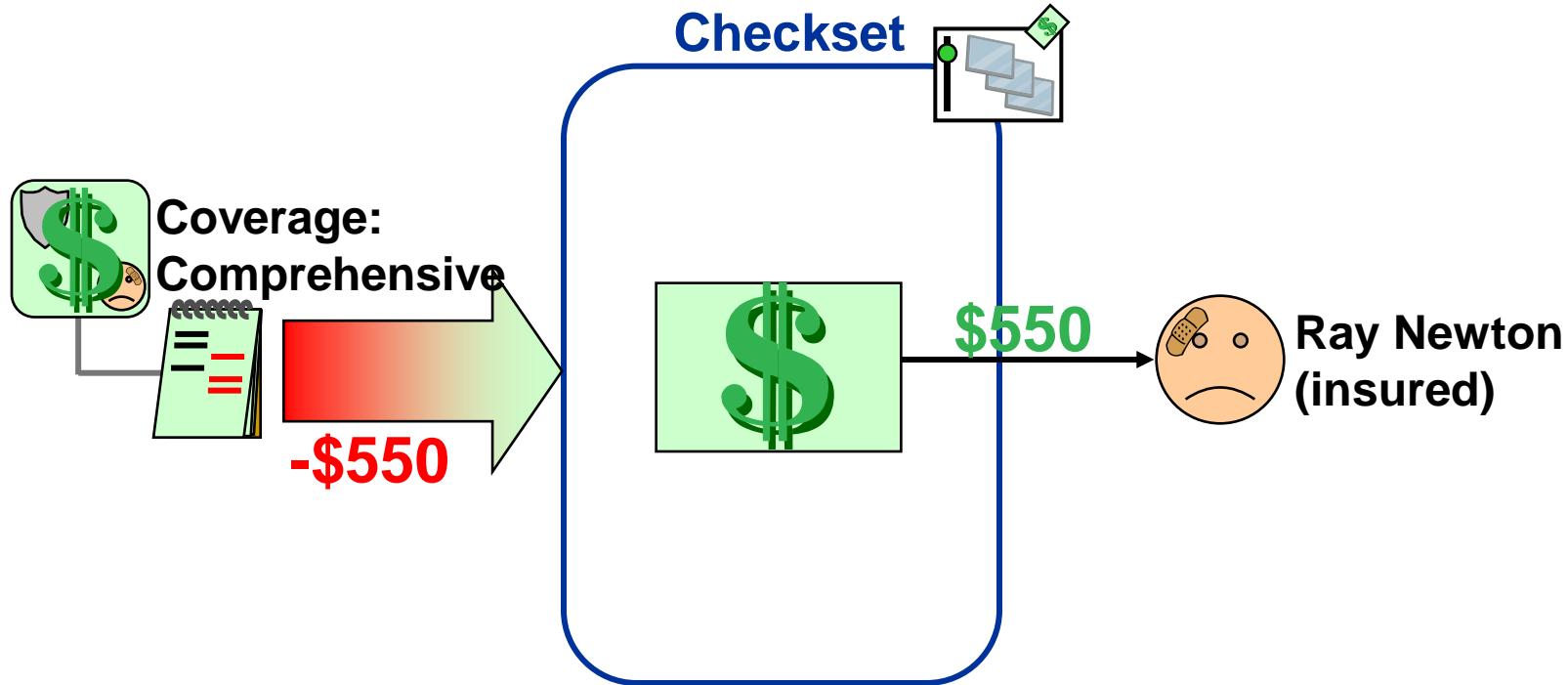
- ▶ Every checkset "gets" its money from one or more payment transactions
- ▶ Each payment transaction comes from a reserve line, which can be from the same exposure or different exposures

Checks in a checkset



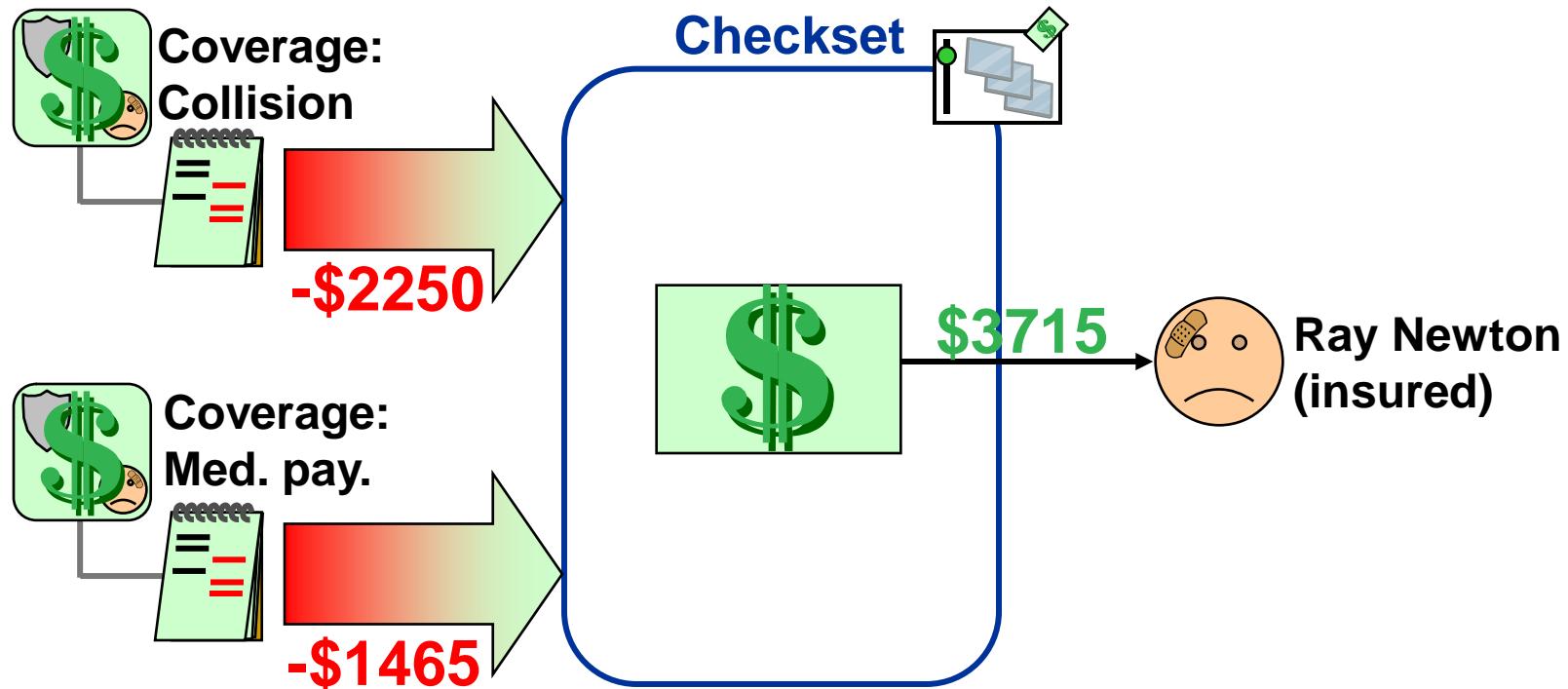
- ▶ The money in a checkset "goes into" one or more checks
- ▶ Each check has either:
 - A single payee, or
 - A set of "joint payees"

Checkset example 1: Single payment for single check



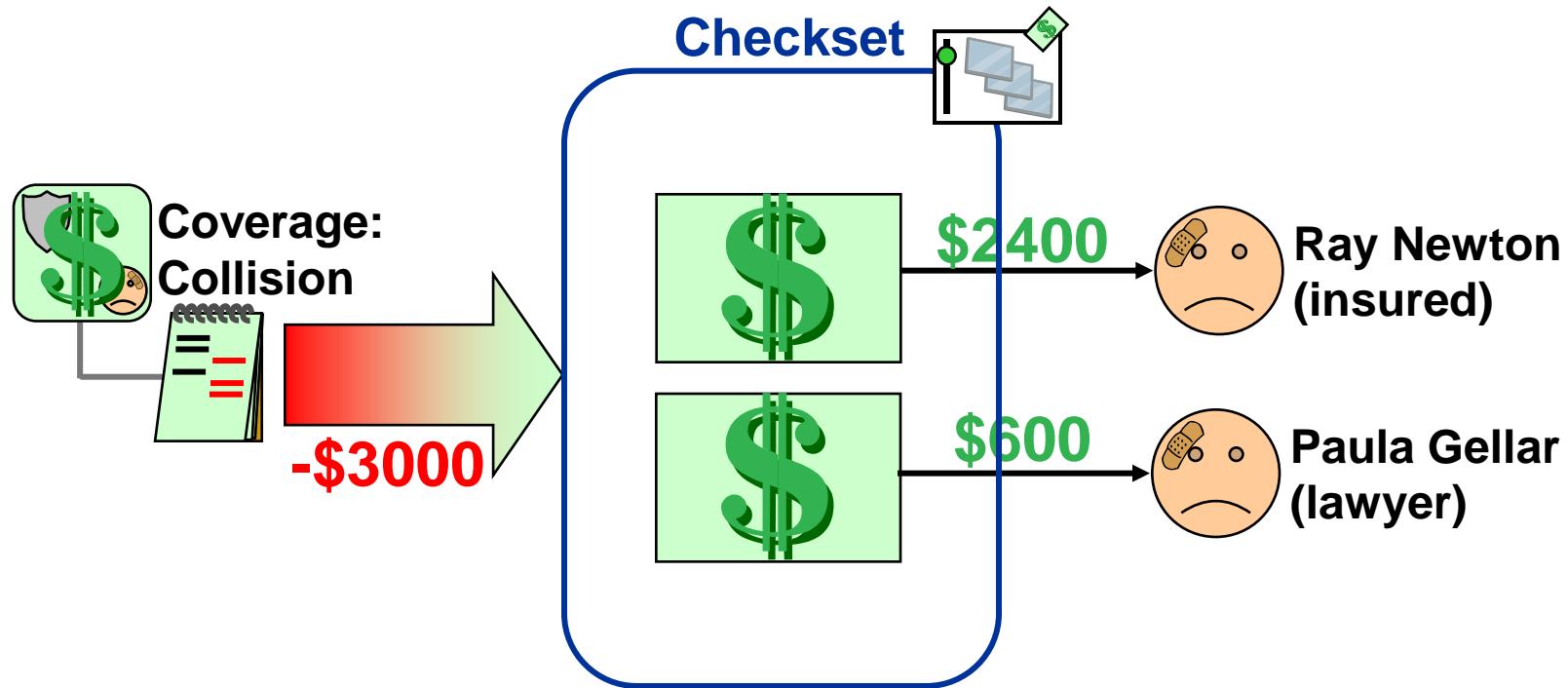
- ▶ Ray Newton receives a \$550 check to repair damage done to his car during a hail storm

Checkset example 2: Multiple payments for single check



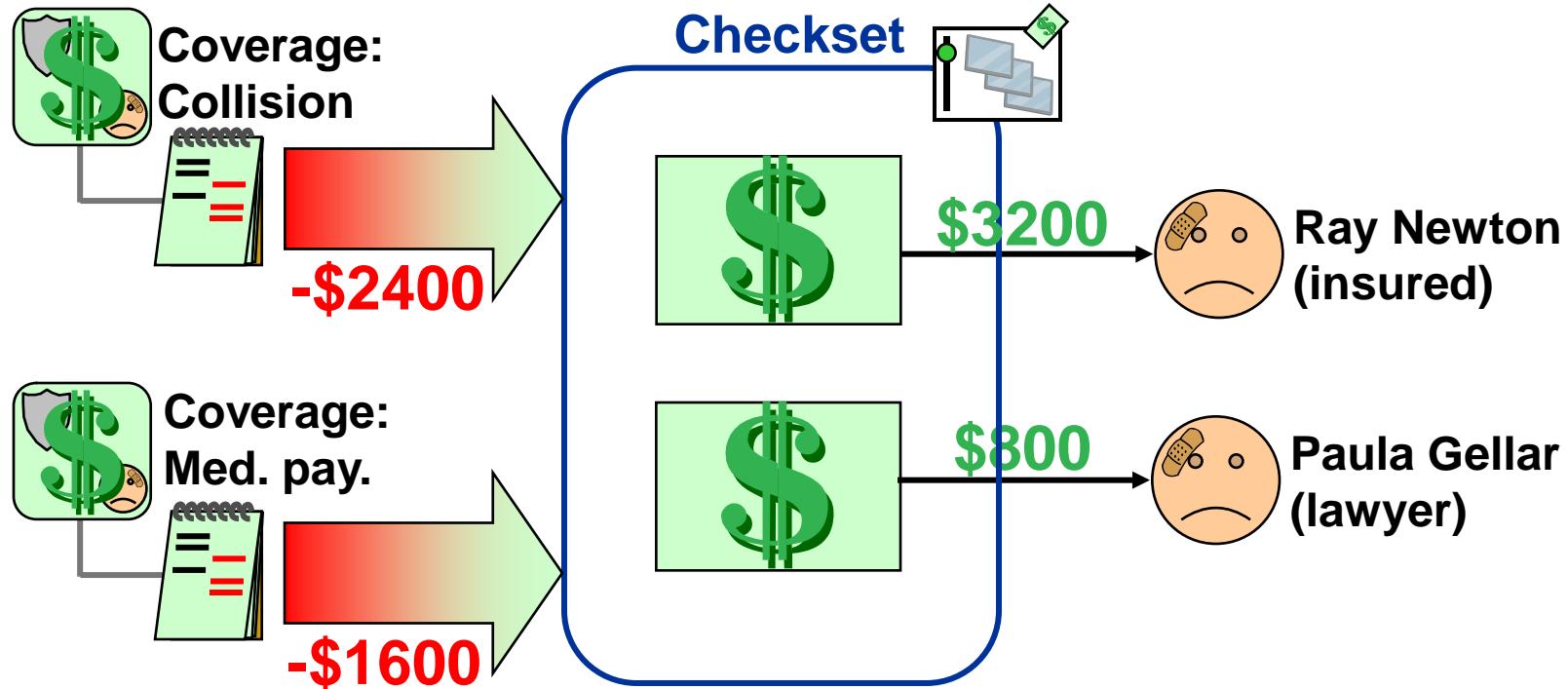
- ▶ Ray Newton receives a check for \$3715 to cover:
 - Damage done to his car from a collision
 - Medical payments for an injury he got during the collision

Checkset example 3: Single payment for multiple checks



- ▶ An auto collision required litigation which ultimately ruled in favor of Ray Newton
 - He gets a check for \$3000 minus the 20% lawyer fee
 - His lawyer gets a check for 20% of \$3000, or \$600

Checkset example 4: Multiple payments for multiple checks



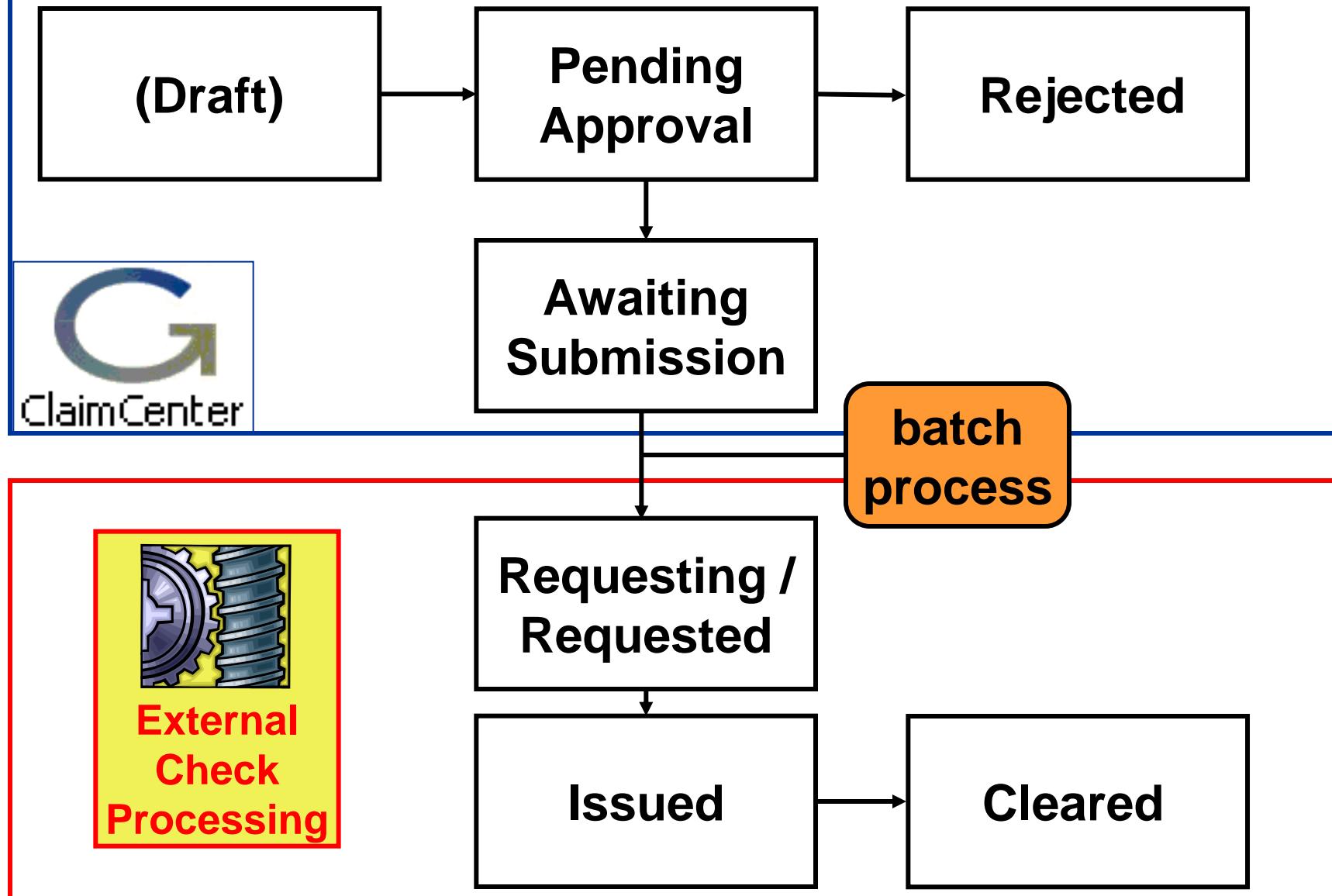
- ▶ An injury-causing collision required litigation which ultimately ruled in favor of Ray Newton
 - Ray gets a check for \$4000 minus the 20% lawyer fee
 - His lawyer gets a check for 20% of \$4000, or \$800

Financials approval



- ▶ ClaimCenter reviews every transaction (including payment transactions) to determine if it requires approval
 - Financials approval is discussed in the Management section of the course

The life cycle of a check

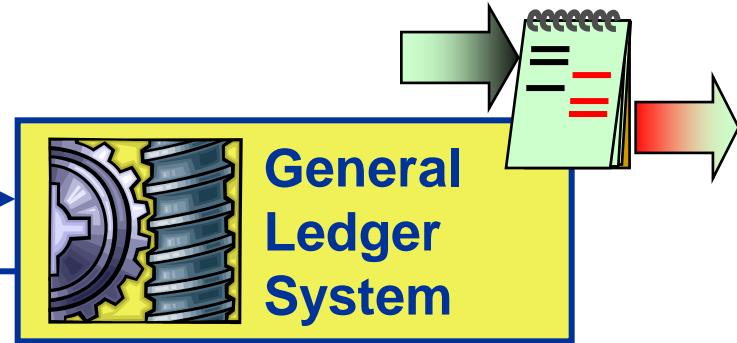


General ledger integration



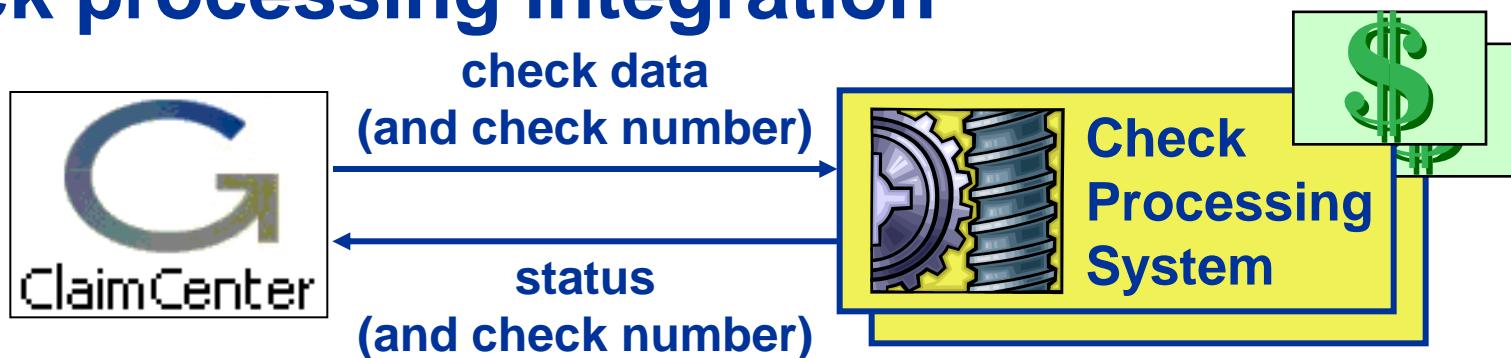
summary level data
or every transaction

acknowledgement



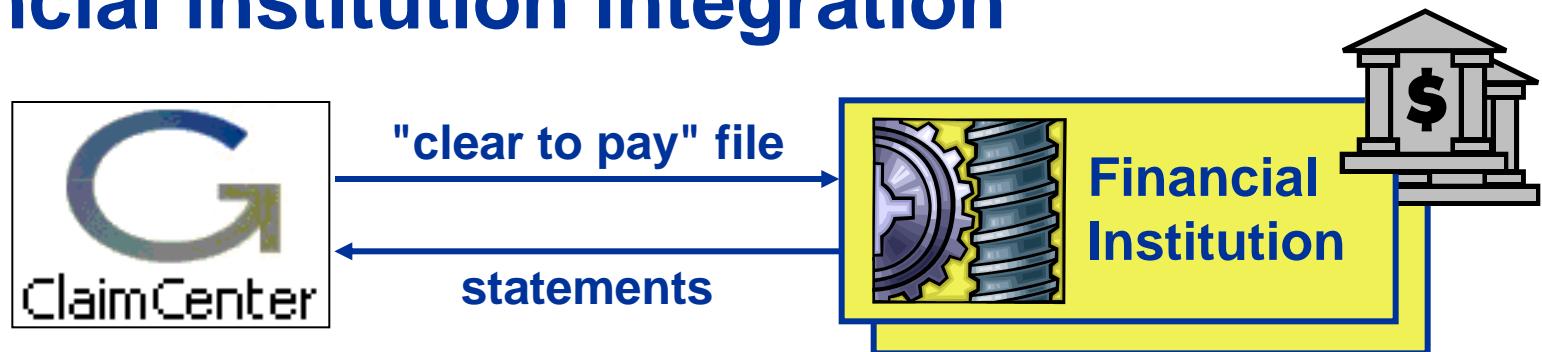
- ▶ Some instances of ClaimCenter have an integration point to a general ledger system, such as Oracle Financials
 - This system tracks finances for the carrier, and the integration point exists so that the ledger system can stay abreast of the payments ClaimCenter is making
- ▶ Information exchange
 - Depending on the carrier, ClaimCenter sends either summary-level data or detailed data about every transaction
 - ClaimCenter receives acknowledgement that the information has been received

Check processing integration



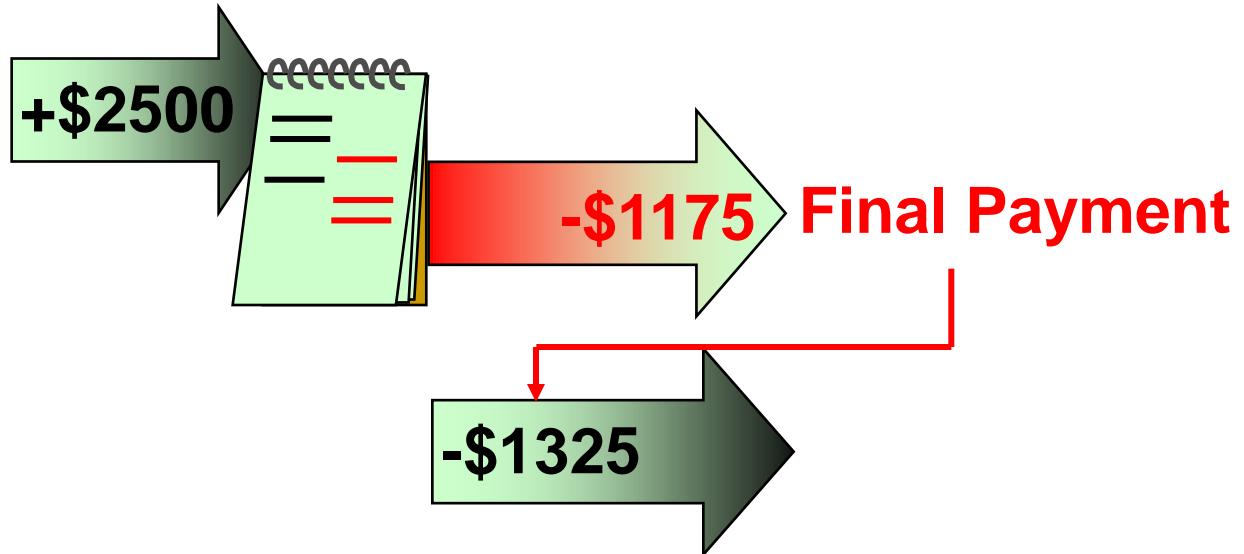
- ▶ Every instance of ClaimCenter has an integration point to a check processing system
 - This system prints paper checks and/or manages electronic funds transfers
- ▶ Information exchange
 - ClaimCenter sends check data (amount, line items, ...)
 - ClaimCenter receives the check status (such as requesting or issued)
 - Depending on the carrier, the check number may be generated by either system

Financial institution integration



- ▶ Some instances of ClaimCenter have an integration point to a financial institutions (banks)
 - The integration point exists so that ClaimCenter can track when checks have been paid
- ▶ Information exchange
 - ClaimCenter sends a "clear to pay" file, which includes the check numbers and amounts for checks issued by ClaimCenter
 - ClaimCenter receives statements identifying the check status (cleared, voided, stopped)

The end of the reserve line

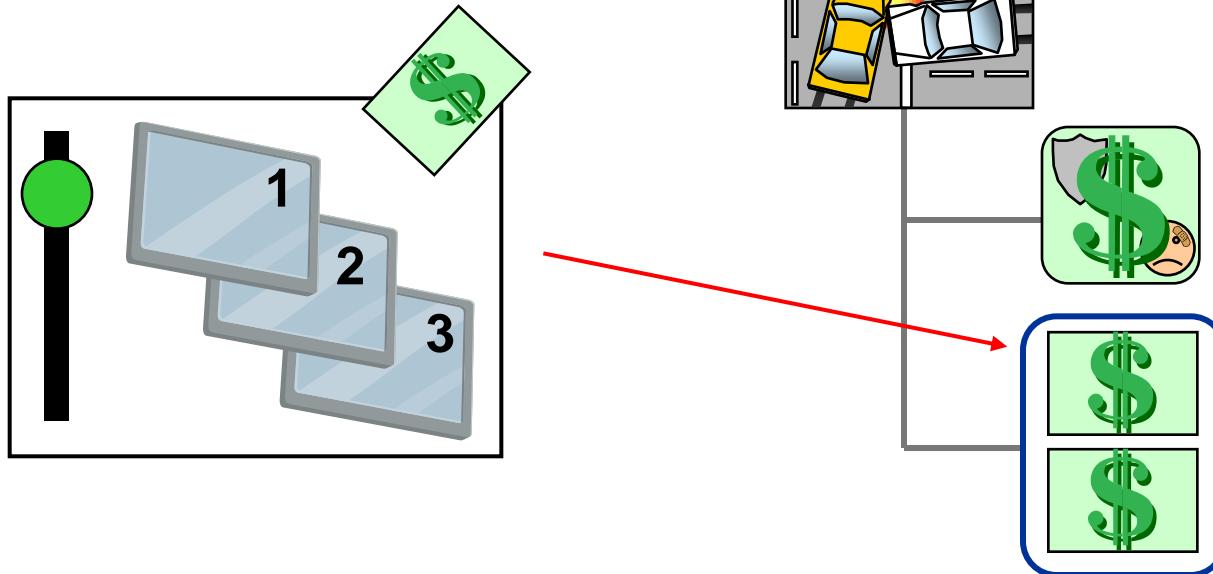


- ▶ Payment transactions are coded as "partial" or "final"
 - A final payment indicates that the financial obligation that the reserve line was created for has been met
- ▶ When you create a final payment transaction, ClaimCenter:
 - Creates a second reserve transaction which reduces the line to zero (or "zeroes out" the reserve line)

Lesson outline

- ▶ Payment basics
- ▶ Creating checks
- ▶ Deductibles
- ▶ Auto first and final

The payment wizard



- ▶ Checks are created using the payment wizard
 - In the base application:
 - The fields vary based on the method of payment (automated check, manual check, EFT)
 - But, the basic steps are the same for all forms of payment

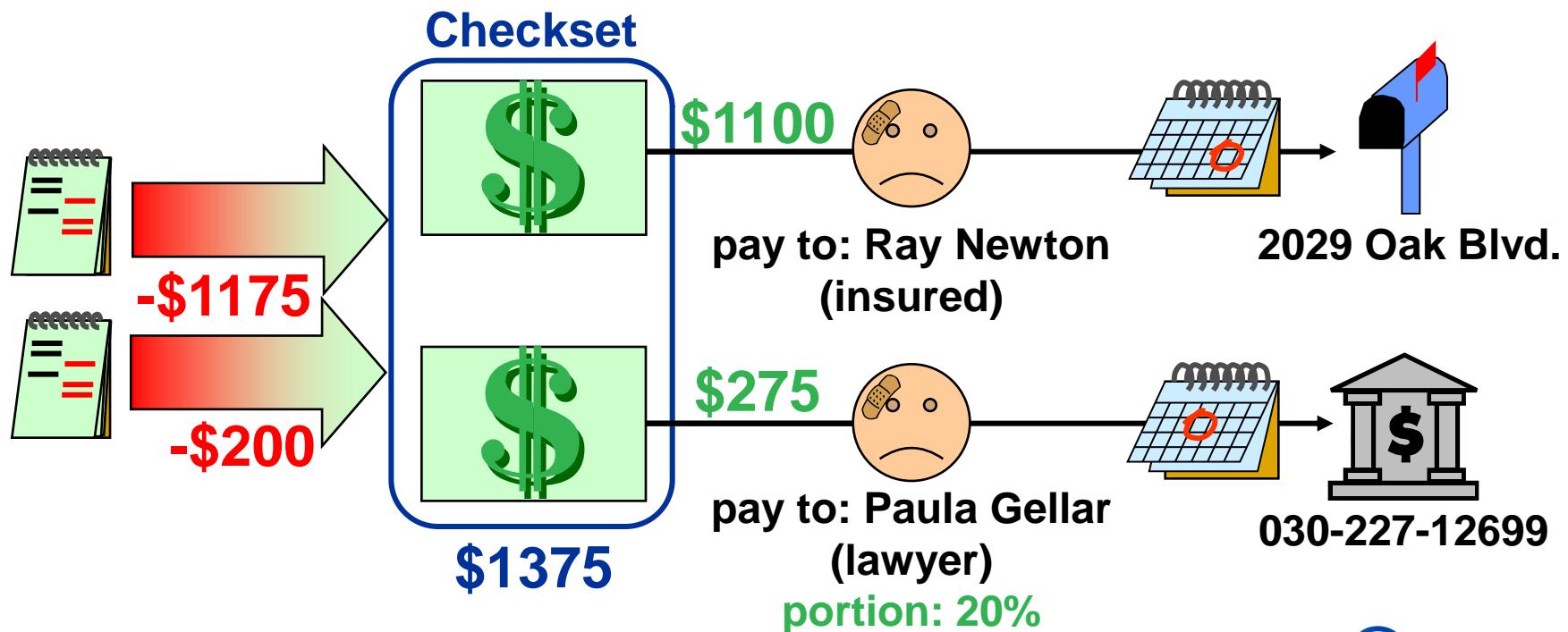
Basic steps of the payment wizard

Step 1: Specify
checks and payees

Step 2: Specify
the payment
transactions

(The wizard calculates
the checkset total and
each check amount.)

Step 3: Specify check
instructions



Prerequisites of the Payment Wizard: Claim at "ability to pay"

The screenshot shows a software application window with a blue header bar containing menu items: Desktop, Search, Address Book, Claim, Vacation, and Go to (Alt+/). Below the header, a status bar displays: Pol: 54-123456 | Ins: Ray Newton | DoL: 05/01/2008 | St: Open | Adj: Betty Baker (Auto1 - TeamA). A red car icon is also present. The main content area has a light blue background. On the left, there is a sidebar with tabs: Actions, Summary, Workplan, Loss Details, and Exposures. The Actions tab is currently selected. In the center, a blue header bar says "New Check Error". Below it, a message states: "A check cannot be created because the claim (or some exposures) has not passed the 'Ability to Pay' validation level. See the workspace below for the validation errors." At the bottom of this section is a blue link: "Return back to the claim (000-00-000705)". Below this, a blue header bar says "Validation Results". Underneath it, another blue header bar says "Validation Results". A "Clear" button is located in this area. At the bottom, a yellow box contains a red arrow icon and the text: "► A payment can not be made because neither this claim nor any of its exposures passes the 'Ability to Pay' validation level."

- ▶ In order to initiate the payment wizard, the claim's validation level must be "ability to pay"

Prerequisites of the payment wizard: Exposure at "ability to pay"

(1) 1st Party Vehicle - Ray Newton (Up to Exposures)	
Edit Assign Close Exposure Create Reserve	
Details	Total Loss Calculator
Exposure	Financials
Loss Party	Insured's loss
Primary Coverage	Collision
Coverage Subtype	Collision - Vehicle Damage
Coverage	1996 Toyota Corolla (2GDH967 / California)
Adjuster	Andy Applegate
Group	Auto1 - TeamA
Status	Open
Create Date	09/28/2009
Validation Level	New loss completion
Remaining Reserves \$3,000.00	

Step 2 of 3: Enter payment information

[Cancel](#) | [< Back](#) | [Next >](#) | [Add Payment](#) | [R](#)

	Exposure	Coverage	Cost Type
<input type="checkbox"/>			
<input checked="" type="checkbox"/>			

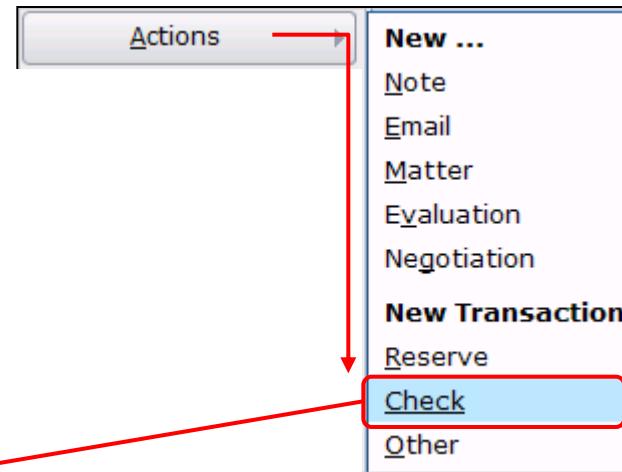
Payment Details

Reserve Line * <none selected>
Coverage * <none selected>
Payment Type * New...
<none selected>

- In order to make checks from a given exposure's reserve lines, the exposure must be at "ability to pay"

Initiating the payment wizard

- ▶ The payment wizard is initiated through the New Transaction menu



Step 1 of 3: Enter payee information

	Primary *	Pay To ▾	Deduction Type	Delivery Method	Check Portion
<input type="checkbox"/>	<input checked="" type="checkbox"/> ★			Send	

Check Details

Primary Payee

Name: * <none selected> ▾

Type: * <none selected> ▾
Add Joint Payees

Pay To The Order Of * [dropdown]

Mail To

Check Delivery: Send

Recipient: * [text input]

Mailing Address: [text input]

Tax Reporting

Report As: Not reportable



Step 1: Payees (Specifying the primary payee)

Step 1 of 3: Enter payee information

[Cancel](#) | [Next >](#) | [Add Payee](#) | [Remove Payee](#)

	<u>Primary</u> ★	<u>Pay To</u> ▲	<u>Deduction Type</u>	<u>Delivery Method</u>
<input type="checkbox"/>	★			Send

Check Details

Primary Payee

Name: *

Type: *

Pay To The Order Of *

Mail To

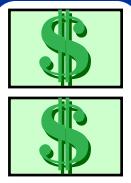
Check Delivery:

Recipient: *

Mailing Address:

Tax Reporting

Report As:



Step 1: Payees (Creating additional payees/checks)

Step 1 of 3: Enter payee information

[Cancel](#) | [Next >](#) | [Add Payee](#) | [Remove Payee](#)

	Primary ★	Pay To ▲	Deduction Type	Delivery Method	Check Portion
<input type="checkbox"/>	Ray Newton			Send	
<input checked="" type="checkbox"/>	Paula Gellar			Send	

Check Details

Additional Payee

Name: *

Type: *

Pay To The Order Of *

Mail To

Check Delivery:

Recipient: *

Mailing Address:

Deduction Type *

Check Portion

Percentage: * %

Fixed Amount:

Step 1 of 3: Enter payee information

[Cancel](#) | [Next >](#) | [Add Payee](#) | [Remove Payee](#)

	Primary ★	Pay To ▲	Deduction Type	Delivery Method	Check Portion
<input type="checkbox"/>	Ray Newton			Send	
<input checked="" type="checkbox"/>	Paula Gellar	Lawyer		Send	20%
<input type="checkbox"/>					

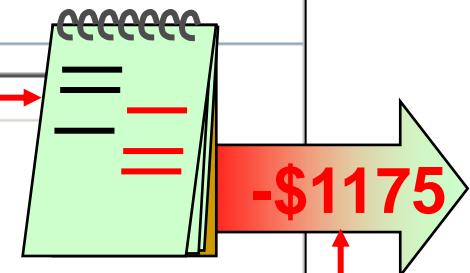
Step 2: Payment transactions (The first payment transaction)

Step 2 of 3: Enter payment information

Cancel | < Back | Next > | Add Payment | Remove Payment

	Exposure	Coverage	Cost Type	Cost Category	Amount	Payment Type
<input type="checkbox"/>	(1) 1st Party Vehicle - Ray Newton	Collision	Claim Cost	Auto body	\$1,175.00	Final
					\$1,175.00	

Payment Details

Reserve Line * (1) 1st Party Vehicle - Ray Newton; Claim Cost/Auto body → 
Coverage Collision
Payment Type Final
Eroding? Yes
Available Reserves \$2,500.00
Comments
Line Items

	Category	* Amount
<input type="checkbox"/>	Deductible	\$ -500.00
<input type="checkbox"/>	Parts	\$ 1000.00
<input type="checkbox"/>	Labor	\$ 675.00
		\$1,175.00

Payment types

Payment Details

Reserve Line: (1) 1st Party Vehicle - Ray Newton; Claim Cost/Auto body

Coverage: Collision

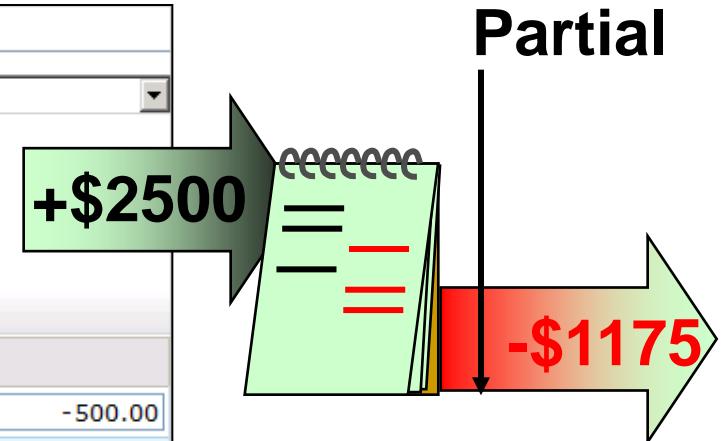
Payment Type: Partial

Eroding?: Yes No

Available Reserves: \$2,500.00

Line Items:

Category	* Amount
Deductible	\$ -500.00
Parts	\$ 1000.00
Labor	\$ 675.00
	\$1,175.00



Payment Details

Reserve Line: (1) 1st Party Vehicle - Ray Newton; Claim Cost/Auto body

Coverage: Collision

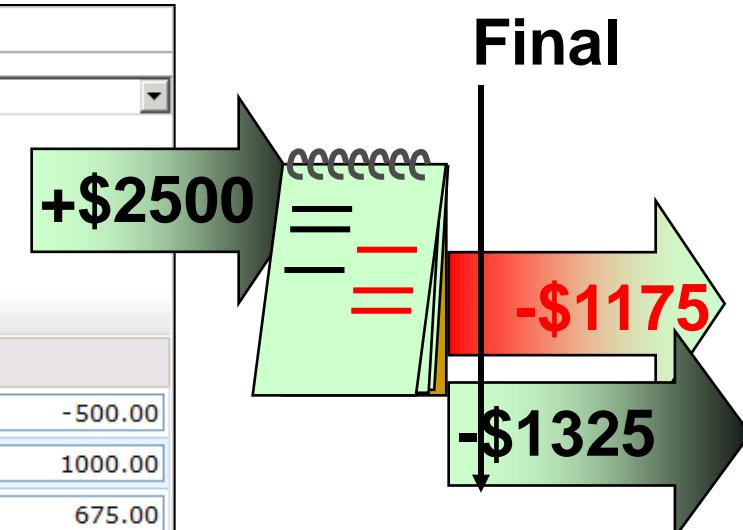
Payment Type: Final

Eroding?: Yes No

Available Reserves: \$2,500.00

Line Items:

Category	* Amount
Deductible	\$ -500.00
Parts	\$ 1000.00
Labor	\$ 675.00
	\$1,175.00



Step 2: Payment transactions (Additional payment transactions)

Step 2 of 3: Enter payment information

[Cancel](#) | [Back](#) | [Next >](#) | [Add Payment](#) | [Remove Payment](#)

	Exposure	Coverage	Cost Type	Cost Category	Amount	Payment Type
<input type="checkbox"/>	(1) 1st Party Vehicle - Ray Newton	Collision	Claim Cost	Auto body	\$1,175.00	Final
<input checked="" type="checkbox"/>	(1) 1st Party Vehicle - Ray Newton	Collision	Expense - A&O	Vehicle inspection	\$200.00	Final
					\$1,375.00	

Payment Details

Reserve Line: * (1) 1st Party Vehicle - Ray Newton; Expense - A&O/Vehicle inspection

Coverage: Collision

Payment Type: Final

Eroding?: Yes No

Available Reserves: \$500.00

Line Items

[Add Item](#) | [Remove](#)

Category	* Amount
<none selected>	\$ 200
	\$200.00

eeeeeee
-
-\$200

Multicurrency payments

Step 2 of 3: Enter payment information

[Cancel](#) | [Back](#) | [Next >](#) | [Add Payment](#) | [Remove Payment](#)

	Exposure	Coverage	Cost Type	Cost Category	Amount
<input type="checkbox"/>	(1) 1st Party Vehicle - Ray Newton	Comprehensive	Claim Cost	Towing	\$750.00 CAD = \$635.42
					\$750.00 CAD = \$635.42

Payment Details

Reserve Line: * (1) 1st Party Vehicle - Ray Newton; Claim Cost/Towing

Coverage: Comprehensive

Payment Type: * Final

Eroding?: * Yes No

Available Reserves: \$1,694.46
= \$2,000.01 CAD

Comments:

Currency: * \$ CAD

Exchange Rate Mode: Manual Automatic

Exchange Rate: 1 \$ CAD = 0.847228 \$ USD

Line Items:

[Add Item](#) | [Remove](#)

	Category	Amount
<input type="checkbox"/>	Other	\$ 750.00 CAD = \$635.42
		\$750.00 CAD = \$635.42

▶ Payments can be done in any currency

Step 3: Check instructions

Step 3 of 3: Set check instructions

Primary	Pay To	Mailing Address	Portion	Net Amount
★ Ray Newton	Ray Newton	287 Kensington Rd. #1A, South Pasadena, CA 91145		\$1,100.00
	Paula Gellar		20%	\$275.00

Gross Amount \$1,375.00

Deductions -

Net Amount \$1,375.00

Claimant Ray Newton

Date of Service

Invoice Number

Memo Claim 000-00-000705

Step 3 of 3: Set check instructions

Pay To The Order Of	Bill To
Ray Newton	287 Kensington Rd. #1A, South Pasadena, CA 91145

Gross Amount \$1,375.00

Deductions -

Net Amount \$1,375.00

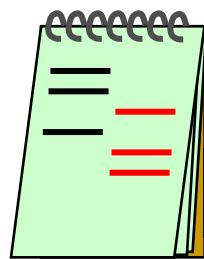
The completed check(s)

Financials (Total Incurred: \$1,375.00): Checks

[Summary](#) | [Transactions](#) | **Checks**

Check Number	Pay To	Gross Amount	Issue Date	Scheduled Send Date
12121	Ray Newton	\$1,100.00		05/27/2008
12122	Paula Gellar	\$275.00		05/27/2008

Exposure 1



Type: Claim cost
Category: Auto body

-\$1175



Pay to Ray Newton
\$1100



Exposure 1
Type: Expense
Category: Inspection

-\$200



Pay to Paula Gellar
\$275

Fields unique to the automatic check payment method

All the fields shown here are unique to the automatic check payment method

Step 3 of 3: Set Instructions

Payment Method: Check
Check Batching: A/P default
Check Instructions: <none selected>
When To Pay: * 05/27/2008
 Recurring
Recurrence Pattern:
 Weekly: every week(s) on
 Monthly: day of every month(s)
 the of every month(s)
 Issue check business days in advance of check's due date
Due date of first check:
Number of Checks:
Total Recurrence Amount:

Future checks in the recurrence can be edited after saving.

Payment Method: Check
Check Batching: A/P default
Check Instructions: <none selected>
When To Pay: * 05/27/2008
 Recurring
Recurrence Pattern:
 Weekly: every week(s) on
 Monthly: day of every month(s)
 the of every month(s)
 Issue check business days in advance of check's due date
Due date of first check:
Number of Checks:
Total Recurrence Amount:

Future checks in the recurrence can be edited after saving.

Fields unique to the manual check payment method

- ▶ Manual payments are used to track hand-written checks (such as a check written by an inspector immediately after the inspection of a damaged vehicle or property)

Step 1 of 3: Enter payee information

Cancel | Next > | Add Payee | Remove Payee

	Primary	Pay To	Deduction Type
<input type="checkbox"/>			

Check Details

Primary Payee

Name: *

Type: *

Pay To The Order Of *

Mail To

Check Delivery:

Recipient: *

Mailing Address:

Tax Reporting

Report As:

Check Issuance

Issue Date:

Check Number:

Bank Account:

Making payments against a non-existent reserve line

Step 2 of 3: Enter payment information

Cancel | < Back | Next > | Add Payment | Remove Payment

	Exposure	Coverage	Cost Type	Cost Category	Amount	Payme
<input type="checkbox"/>					-	-

Payment Details

Reserve Line	*	<none selected>
Coverage		<none selected>
Payment Type	*	(1) 1st Party Vehicle - Brittany Turner; Claim Cost/Auto body (1) 1st Party Vehicle - Brittany Turner; Claim Cost/Towing (1) 1st Party Vehicle - Brittany Turner; Expense - A&O/Vehicle inspection
Eroding?	*	
Available Reserves		New...

- ▶ You can create a payment transaction against a reserve line that doesn't exist by choosing the "New..." option
 - This creates an additional reserve transaction for exactly the same amount as the payment transaction so that the reserve line is created and then emptied in a single step

Lesson outline

- ▶ Payment basics
- ▶ Creating checks
- ▶ Deductibles
- ▶ Auto first and final

Deductible

- ▶ A **deductible** is an amount of money that the insured must pay out of pocket for a loss. The carrier provides payment only for the amount above and beyond the deductible.
- ▶ In base ClaimCenter 6.0, deductible handling is only enabled for personal auto claims, and only for vehicle damage exposures

Enable deductible handling

- ▶ Two relevant parameters in config.xml
 - UseDeductibleHandling – enables deductible handling
 - AllowMultipleLineItems – not technically about deductible handling, but deductible handling will not work if this is disabled

```
<!-- Whether to use Deductible Handling -->
<param name="UseDeductibleHandling" value="true" />
<!-- Whether to allow multiple line items in a transaction -->
<param name="AllowMultipleLineItems" value="true" />
```

Permissions

- ▶ New permission "Edit Deductible"
 - Allows user to override deductibles
 - Allows user to waive deductibles

Viewing deductibles in ClaimCenter: Claim headline

The screenshot shows the 'Summary' tab of the Guidewire ClaimCenter interface. The 'Financials' section displays financial details for a claim. A red box highlights the 'Deductible' row, which shows a value of '\$500.00'. Other rows in the table include 'Gross' (\$3,000.00), 'Incurred' (\$3,000.00), 'Paid' (\$0.00), and 'Unpaid' (\$500.00). The 'Basics' section on the left shows the claim is 'Open' with 0 days (Target: 10) and 'Ran into tree'.

Gross	\$3,000.00	
Incurred	\$3,000.00	
Paid	\$0.00	
Deductible	\$500.00	
Unpaid	\$500.00	

- ▶ Deductible amount and status visible in claim headline

Viewing deductibles in ClaimCenter: Exposure detail page

- Deductible information displayed with financials on exposure detail page

(1) 1st Party Vehicle - Mark Henderson (Up to Exposures)																																
Edit Assign Close Exposure Create Reserve																																
Details Total Loss Calculator																																
<table border="1"><thead><tr><th colspan="2">Exposure</th><th>Coding</th></tr></thead><tbody><tr><td>Loss Party</td><td>Insured's loss</td><td>Segment</td></tr><tr><td>Primary Coverage</td><td>Collision</td><td>Handling Strategy</td></tr><tr><td>Coverage Subtype</td><td>Collision - Vehicle Damage</td><td>Jurisdiction State</td></tr><tr><td>Coverage</td><td>1991 Ford Wagon</td><td>Auto - mid c</td></tr><tr><td>Adjuster</td><td>Andy Applegate</td><td>Unknown</td></tr><tr><td>Group</td><td>Auto1 - TeamA</td><td>California</td></tr><tr><td>Status</td><td>Open</td><td></td></tr><tr><td>Create Date</td><td>08/12/2009</td><td></td></tr><tr><td>Validation Level</td><td>Ability to pay</td><td></td></tr></tbody></table>			Exposure		Coding	Loss Party	Insured's loss	Segment	Primary Coverage	Collision	Handling Strategy	Coverage Subtype	Collision - Vehicle Damage	Jurisdiction State	Coverage	1991 Ford Wagon	Auto - mid c	Adjuster	Andy Applegate	Unknown	Group	Auto1 - TeamA	California	Status	Open		Create Date	08/12/2009		Validation Level	Ability to pay	
Exposure		Coding																														
Loss Party	Insured's loss	Segment																														
Primary Coverage	Collision	Handling Strategy																														
Coverage Subtype	Collision - Vehicle Damage	Jurisdiction State																														
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Status	Open																															
Create Date	08/12/2009																															
Validation Level	Ability to pay																															
<table border="1"><thead><tr><th colspan="2">Other Carrier Involvement</th></tr></thead><tbody><tr><td>Other Coverage</td><td></td></tr><tr><td>Details</td><td>Insurer Policy</td></tr></tbody></table>			Other Carrier Involvement		Other Coverage		Details	Insurer Policy																								
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<table border="1"><thead><tr><th colspan="2">Financials</th></tr></thead><tbody><tr><td>Remaining Reserves</td><td>\$3,000.00</td></tr><tr><td>Future Payments</td><td>-</td></tr><tr><td>Total Paid</td><td>-</td></tr><tr><td>Total Recoveries</td><td>-</td></tr><tr><td>Net Total Incurred</td><td>\$3,000.00</td></tr></tbody></table>			Financials		Remaining Reserves	\$3,000.00	Future Payments	-	Total Paid	-	Total Recoveries	-	Net Total Incurred	\$3,000.00																		
Financials																																
Remaining Reserves	\$3,000.00																															
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Total Paid	-																															
Total Recoveries	-																															
Net Total Incurred	\$3,000.00																															
<table border="1"><thead><tr><th colspan="2">Deductible</th></tr></thead><tbody><tr><td>Waive Deductible?</td><td>No</td></tr><tr><td>Deductible Amount</td><td>\$500.00</td></tr><tr><td>Deductible Paid?</td><td>No</td></tr><tr><td>Modify Deductible?</td><td>No</td></tr></tbody></table>			Deductible		Waive Deductible?	No	Deductible Amount	\$500.00	Deductible Paid?	No	Modify Deductible?	No																				
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Waive Deductible?	No																															
Deductible Amount	\$500.00																															
Deductible Paid?	No																															
Modify Deductible?	No																															

Changing the deductible

- User can alter deductible on exposure detail page if deductible has not yet been applied
 - Waive deductible

Deductible	
Waive Deductible?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Deductible Amount	\$500.00
Deductible Paid?	No
Modify Deductible?	No
Edit Reason	* Other party at fault

Deductible	
Waive Deductible?	Yes
Deductible Amount	\$500.00
Deductible Paid?	No
Modify Deductible?	No
Edit Reason	Other party at fault



- Modify deductible

Deductible	
Waive Deductible?	<input type="radio"/> Yes <input checked="" type="radio"/> No
Deductible Amount	* \$ 200.00
Deductible Paid?	No
Modify Deductible?	<input checked="" type="radio"/> Yes <input type="radio"/> No
Edit Reason	* Claimant only 40% responsible

Deductible	
Waive Deductible?	No
Deductible Amount	\$200.00
Deductible Paid?	No
Modify Deductible?	Yes
Edit Reason	Claimant only 40% responsible



Writing a check

Financials (Total Incurred: \$3,000.00): Summary

[Summary](#) | [Transactions](#) | [Checks](#)

Exposure ▾

	Remaining Reserves	Total Paid	Recoveries	Net Total Incurred
(1) 1st Party Vehicle - Mark Henderson - Collision	\$3,000.00			\$3,000.00
Claim Cost	\$2,500.00			\$2,500.00
Auto body	\$2,500.00			\$2,500.00

Step 1 of 3: Enter payee information

[Cancel](#) | [Next >](#) | [Add Payee](#) | [Remove Payee](#)

Primary ★ [Pay To ▲](#)
 Mark Henderson

Check Details

Primary Payee

Name:
Type:

Step 2 of 3: Enter payment information

[Cancel](#) | [Back](#) | [Next](#) | [Add Payment](#) | [Remove Payment](#)

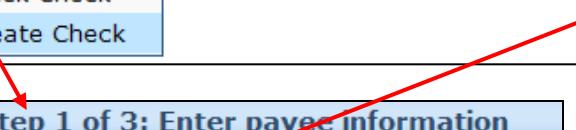
Exposure	Coverage	Cost Type	Cost Category
(1) 1st Party Vehicle - Mark Henderson	Collision	Claim Cost	Auto body

Payment Details

Reserve Line:
Coverage: Collision
Payment Type: Yes No
Eroding?: Yes No
Available Reserves: \$2,500.00
Comments:
Line Items

[Add Item](#) | [Remove](#) | [Apply Deductible](#)

Category	* Amount
Other	\$700
	\$700.00



- ▶ New "Apply Deductible" button on step 2

Apply the deductible

Payment Details

Reserve Line	*	(1) 1st Party Vehicle - Mark Henderson; Claim Cost/Auto body								
Coverage		Collision								
Payment Type	*	Partial								
Eroding?	*	<input checked="" type="radio"/> Yes <input type="radio"/> No								
Available Reserves		\$2,500.00								
Comments										
Line Items	<input type="button" value="Add Item"/>	<input type="button" value="Remove"/>								
<table border="1"><thead><tr><th><input type="checkbox"/> Category</th><th>* Amount</th></tr></thead><tbody><tr><td><input type="checkbox"/> Other</td><td>\$ 700.00</td></tr><tr><td><input type="checkbox"/> Deductible</td><td>(\$500.00)</td></tr><tr><td></td><td>\$200.00</td></tr></tbody></table>			<input type="checkbox"/> Category	* Amount	<input type="checkbox"/> Other	\$ 700.00	<input type="checkbox"/> Deductible	(\$500.00)		\$200.00
<input type="checkbox"/> Category	* Amount									
<input type="checkbox"/> Other	\$ 700.00									
<input type="checkbox"/> Deductible	(\$500.00)									
	\$200.00									

- ▶ Deductible is applied to current payment
 - Line item added with deductible as an offset payment
 - Payment (and check) total reduced by value of deductible
- ▶ "Apply Deductible" button disappears

Complete the check

The screenshot shows a software interface for managing a check. On the left, a panel titled "Step 3 of 3: Set check instructions" displays the following details:

Pay To The Order Of	Mark Henderson
Mail To	85 Circle Rd, West Lake Village, CA 91145
Gross Amount	\$200.00
Deductions	-
Net Amount	\$200.00
Claimant	Mark Henderson

A red arrow points from the "Mail To" field in this panel to the "Financials" summary table on the right.

The "Financials" summary table is titled "Financials (Total Incurred: \$3,000.00): Summary". It includes links for "Summary", "Transactions", and "Checks". The table has the following columns: Exposure, Remaining Reserves, Total Paid, Recoveries, and Net Total Incurred.

Exposure	Remaining Reserves	Total Paid	Recoveries	Net Total Incurred
(1) 1st Party Vehicle - Mark Henderson - Collision	\$2,800.00	\$200.00		\$3,000.00
Claim Cost	\$2,300.00	\$200.00		\$2,500.00
Auto body	\$2,300.00	\$200.00		\$2,500.00

- ▶ Financial screen shows total paid to be amount of check
 - No visibility into deductible handling
- ▶ Deductible has no effect on reserves or NTI
 - Actual amount of check is all that matters

Additional payments against same reserve

Step 2 of 3: Enter payment information

Cancel | < Back | Next > | Add Payment | Remove Payment

	Exposure	Coverage	Cost Type	Cost Category
<input type="checkbox"/>	(1) 1st Party Vehicle - Mark Henderson	Collision	Claim Cost	Auto body

Payment Details

Reserve Line * (1) 1st Party Vehicle - Mark Henderson; Claim Cost/Auto body

Coverage Collision

Payment Type * Partial

Eroding? * Yes

Available Reserves \$2,300.00

Comments

Line Items

Add Item Remove

Category	* Amount
Other	\$ 500
	\$500.00

- ▶ No "Apply Deductible" button because deductible already applied

No partial deductible transactions

Step 2 of 3: Enter payment information

► Line Items : This payment cannot be added because it has a deductible line item whose amount exceeds the sum of the other line items' amounts.

Cancel | **≤ Back** | **Next ≥** | **Add Payment** | **Remove Payment**

	<u>Exposure</u>	<u>Coverage</u>	<u>Cost Type</u>	<u>Cost Category</u>	<u>Amount</u>
<input type="checkbox"/>	(1) 1st Party Vehicle - Mark Henderson	Collision	Claim Cost	Auto body	(\$100.00)
					(\$100.00)

Payment Details

Reserve Line * (1) 1st Party Vehicle - Mark Henderson; Claim Cost/Auto body

Coverage Collision

Available Reserves \$2,500.00

Line Items

Add Item **Remove**

	<u>Category</u>	* <u>Amount</u>
<input type="checkbox"/>	Other	\$ 400.00
<input type="checkbox"/>	Deductible	(\$500.00)
		(\$100.00)

- ClaimCenter will not allow you to apply the deductible against a payment that is less than the deductible amount

Ignoring the deductible

The screenshot shows the 'Close Exposure' dialog box for exposure number 1, titled '1st Party Vehicle - Ray Newton'. The left sidebar lists actions: Summary, Workplan, Loss Details, Exposures, Parties Involved, and Policy. The main area has 'Close Exposure' and 'Cancel' buttons. A note field contains 'Final payment made'. An outcome dropdown is set to '<none selected>'. Below the dialog is a 'Validation Results' section with a 'Clear' button and a message: 'On "(1) 1st Party Vehicle - Ray Newton":' followed by a red-bordered warning: '➡ This exposure cannot be closed until its coverage's deductible is either paid or waived.'

Actions

Close Exposure (1) 1st Party Vehicle - Ray Newton (Exposures)

Summary

Workplan

Loss Details

Exposures

Parties Involved

Policy

Note

Final payment made

Outcome

<none selected>

Validation Results

Validation Results

Clear

On "(1) 1st Party Vehicle - Ray Newton":

➡ This exposure cannot be closed until its coverage's deductible is either paid or waived.

- ClaimCenter will not let you close an exposure if there is an unmet deductible

Lesson Outline

- ▶ Payment basics
- ▶ Creating checks
- ▶ Deductibles
- ▶ Auto first and final

Auto first and final wizard

Actions ▶

New Claim Wizard

Find Policy

Auto First and Final

Parties Involved

Policy

Policy General

Policy Details

Documents

Notes

Step 1 of 2: Search or Create Policy

Cancel | Next >

Find Policy Create Unverified Policy

Policy #

First Name

Last Name

Organization Name

Policy Type Personal auto

Loss Date 05/19/2008

Search Reset

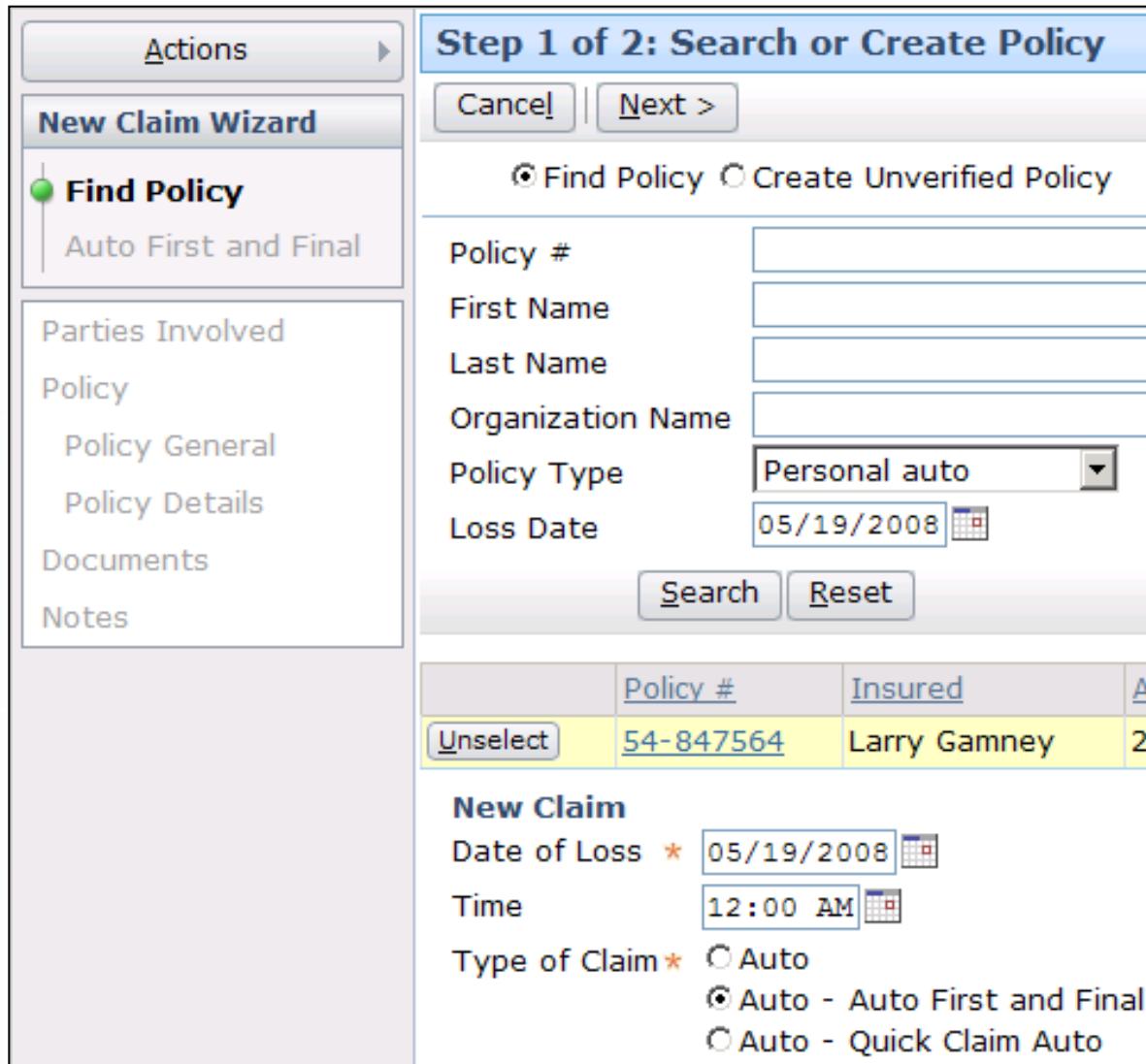
	Policy #	Insured	A
<input type="button"/> Unselect	54-847564	Larry Gamney	23

New Claim

Date of Loss ★ 05/19/2008

Time 12:00 AM

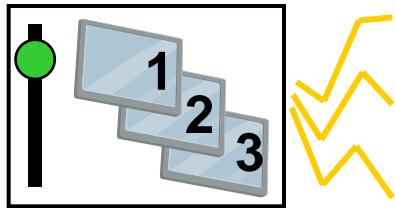
Type of Claim ★ Auto Auto - Auto First and Final Auto - Quick Claim Auto



- ▶ The auto line of business has a "First and Final" wizard
- It is intended for simple claims that require no adjudication
 - Most common usage is for windshield damage

Completing auto first and final

- ▶ The Auto First and Final Wizard completes all the steps in one
 - Vendor selection
 - Payment amount
 - Reserve creation



Step 2 of 2: Auto First and Final

Who reported Claim? Auto Body Ver

Vendor : * American Auto Glass

Damage

Select vehicle * 2001 Honda Civic (1HGJ465 / California)

Loss Description

Claimant

Name * Larry Gamney

Claimant Type * Insured

Primary Phone 626-473-9576

Address 23465 97 St. #3D, Carson, CA 91357

Other Coverage Yes No

Repair

Repair Shop * American Auto Glass

Exposure Details

Primary Coverage Comprehensive

Ready to Pay? Yes No

Financials

Name * American Auto Glass

Payee Type * Vendor

Invoice Number

Amount * \$150.00

Check Delivery No check needed

Mail To * Vendor

Mail To Address

Scheduled Send Date 05/28/2008

A green rectangular box containing a large white dollar sign (\$). A yellow star is positioned in the top right corner of the slide, pointing towards this icon.

Lesson objectives review

You should now be able to:

- Define financial terms used by ClaimCenter for managing payments
- Create checks
- Apply deductibles
- Create and pay out auto first and final claims

Review questions

1. Betty Baker went through the payment wizard one time. She specified three payees (and there were no joint payees or recurring payments). Based on this information alone:
 - a) Can you tell how many checksets there are?
 - b) Can you tell how many checks there are?
 - c) Can you tell how many payment transactions there are?
2. A check includes a \$200 final payment from a \$500 reserve line. Why does ClaimCenter create a second transaction? What is the dollar amount of this transaction?
3. What happens if you start the payment wizard when the claim is not at "ability to pay"?
4. What happens if you start the payment wizard when the claim is at "ability to pay" but none of its exposures are at "ability to pay"?
5. Are deductibles applied to payments or checks?

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