Financials Approval

Lesson Objectives

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

- Describe the functionality of authority limits
- Describe the purpose of transaction approval rules
- Describe how supervisors approve transactions

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.”

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Lesson Outline

- Authority Limits
- Transaction Approval Rules
- Approving Transactions

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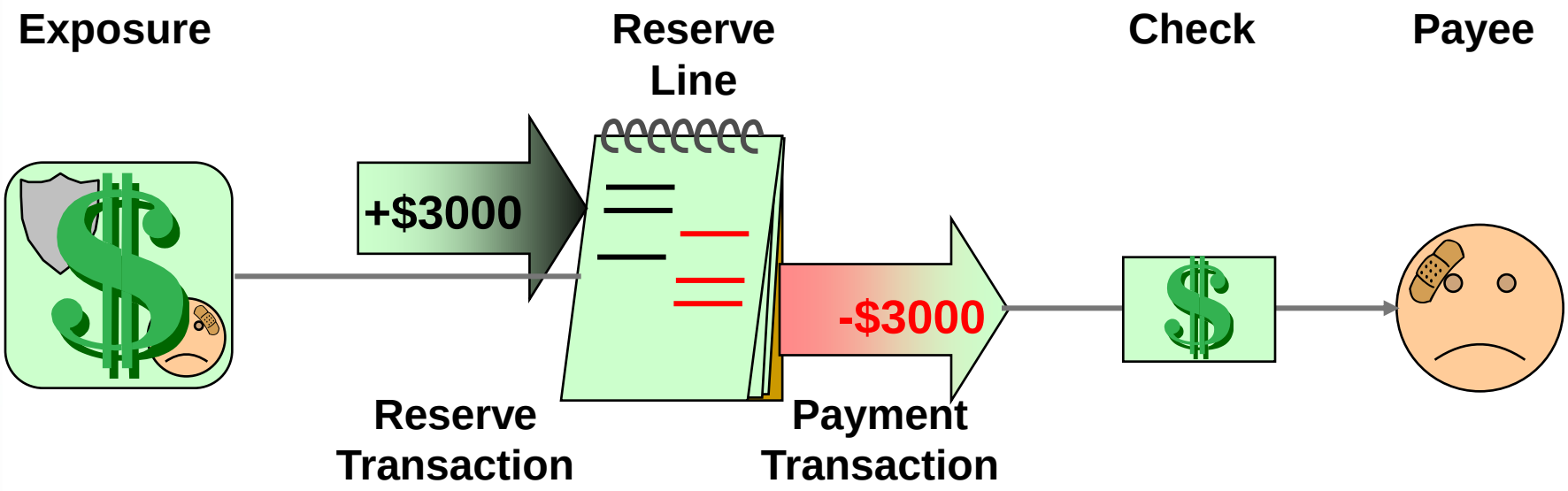
Review: Objects That Implement Financials



- Exposure tracks payment from coverage to claimant
- Reserve line is money set aside for exposure payments
  - Reserve transactions typically add money to it
  - Payment transactions move money to payments
- Checks transfer money from carrier to payee

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Financials Approval

- ClaimCenter reviews every transaction to determine if it requires approval
- Two mechanisms for identifying transactions that require approval
  - Authority limits
  - Transaction approval rules

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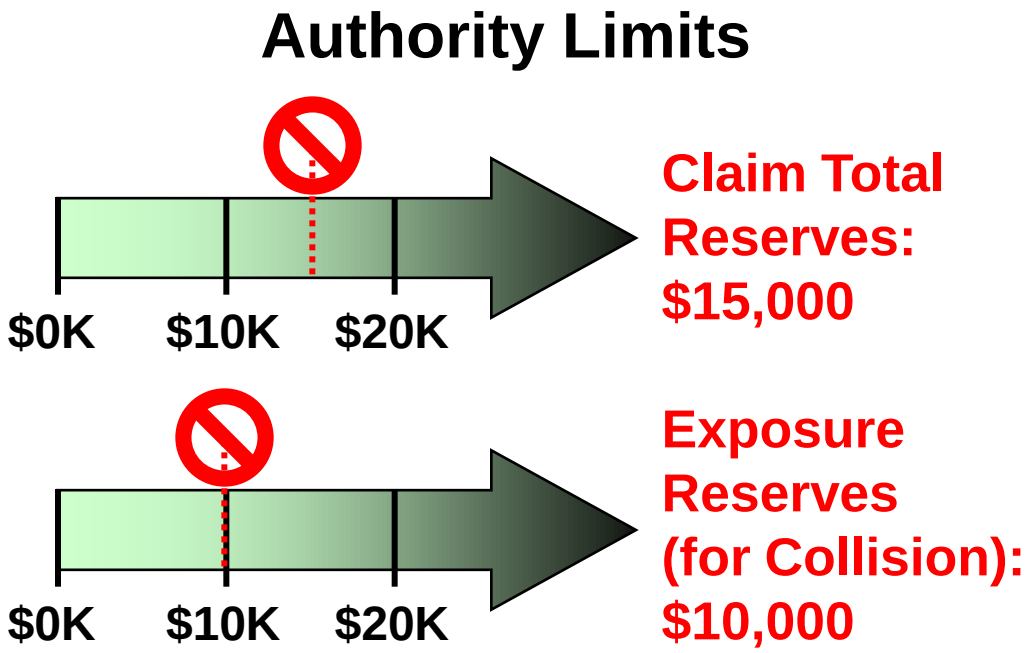
Authority Limits



- An authority limit is a rule which limits the transactions an adjuster can create without approval
  - It consists of a criteria (such as "total reserves for the entire claim") and an amount (such as $15,000)

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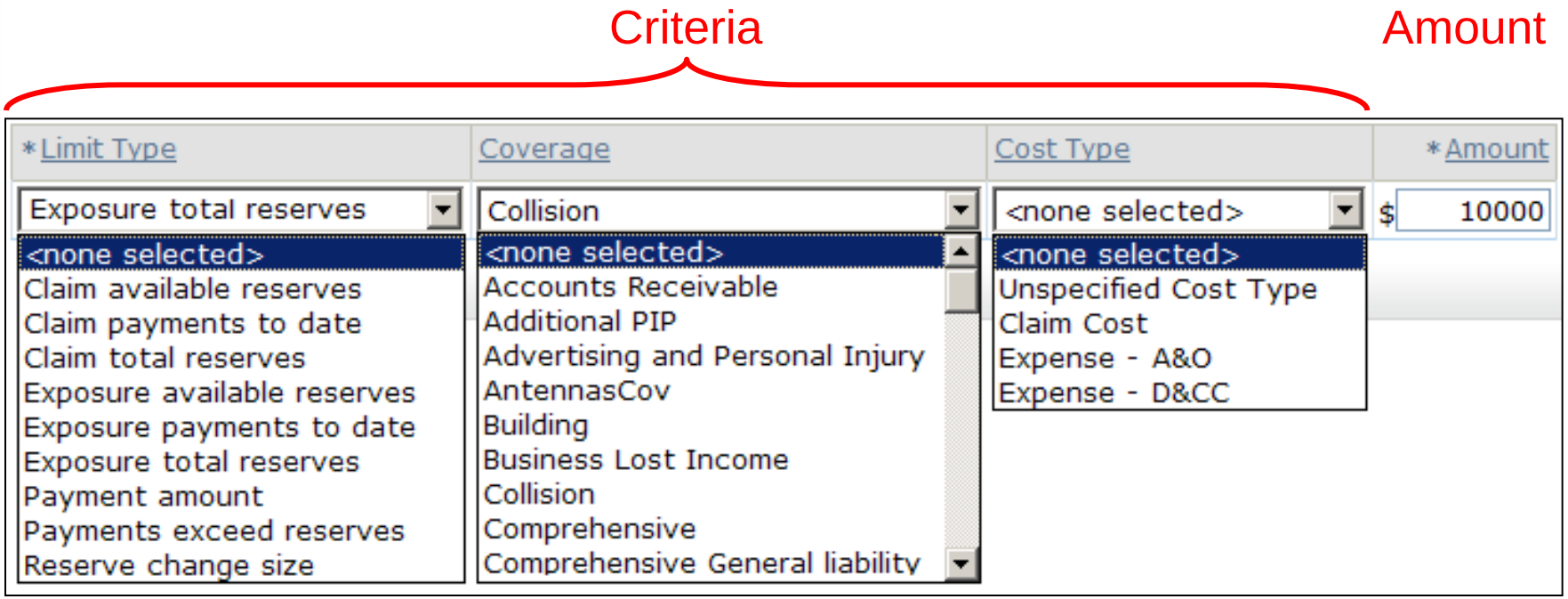
Authority Limit Options



- Each criteria is a combination of:
  - A predefined limit type
  - An optional coverage
  - An optional cost type
- Each limit is a criteria plus an amount

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Exceeding an Authority Limit

Set Reserves

Save | Cancel | Add | Remove | Show Group | Show All | Link Document

All line items added or changed below will be submitted as a group. Any line item with no change will not be saved. Any line Approval reserves that has its New Available Reserves set to equal its Currently Available reserves will have those Pending deleted. Comments are only saved when another field on the line has changed.

Exposure	Coverage	*Cost Type	*Cost Category	Currently Available	Pending Approval	*New Available Reserves	Change
(1) 1st Party Vehicle - Brittany Turner	Collision	Claim Cost	Auto body	$2,500.00	-	$ 11500.00	$9,000.00
(1) 1st Party Vehicle - Brittany Turner	Collision	Expense - A&O	Vehicle inspection	$500.00	-	$ 500.00	
Sum:				**$3,000.00**	-	**$12,000.00**	**$9,000.00**

Transaction will increase exposure total reserves for collision to over $10000

Financials (Total Incurred: $3,000.00): Transactions

Summary | **Transactions** | Checks

Reserves

Create Date	Amount	Exposure	Coverage	Cost Type	Cost Category	Status	User
05/19/2008	$2,500.00	1	Collision	Claim Cost	Auto body	Submitting	Andy Applegate
05/19/2008	$500.00	1	Collision	Expense - A&O	Vehicle inspection	Submitting	Andy Applegate
05/19/2008	$9,000.00	1	Collision	Claim Cost	Auto body	Pending approval	Andy Applegate

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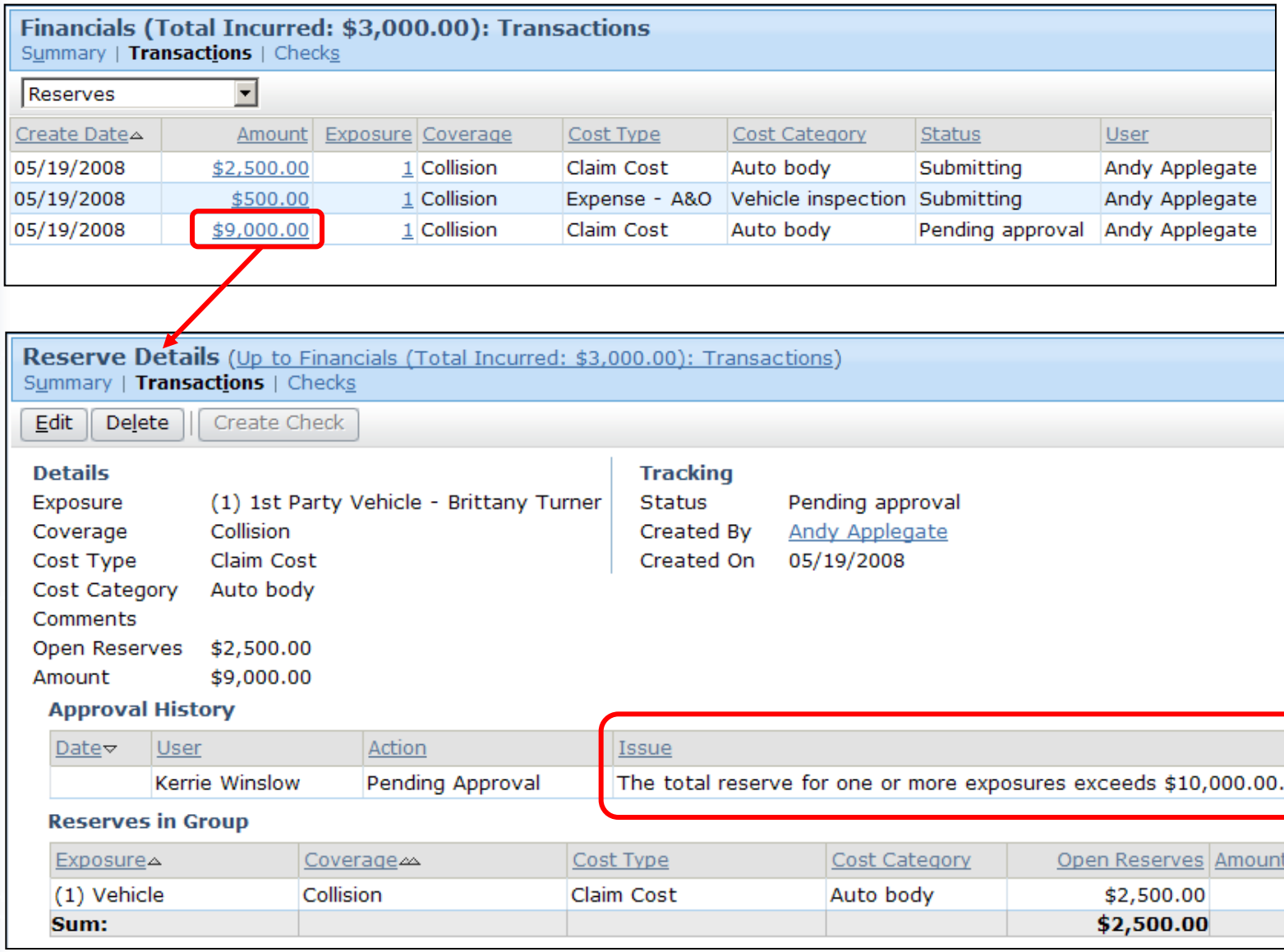
Viewing Details About Pending Approval



Financials (Total Incurred: $3,000.00): Transactions

Summary | **Transactions** | Checks

Reserves

Create Date	Amount	Exposure	Coverage	Cost Type	Cost Category	Status	User
05/19/2008	$2,500.00	1	Collision	Claim Cost	Auto body	Submitting	Andy Applegate
05/19/2008	$500.00	1	Collision	Expense - A&O	Vehicle inspection	Submitting	Andy Applegate
05/19/2008	$9,000.00	1	Collision	Claim Cost	Auto body	Pending approval	Andy Applegate

Reserve Details (Up to Financials (Total Incurred: $3,000.00): Transactions)

Summary | **Transactions** | Checks

Edit | Delete | Create Check

Details

Exposure	(1) 1st Party Vehicle - Brittany Turner
Coverage	Collision
Cost Type	Claim Cost
Cost Category	Auto body
Comments	
Open Reserves	$2,500.00
Amount	$9,000.00

Tracking

Status	Pending approval
Created By	Andy Applegate
Created On	05/19/2008

Approval History

Date	User	Action	Issue	Rationale
	Kerrie Winslow	Pending Approval	The total reserve for one or more exposures exceeds $10,000.00.	

Reserves in Group

Exposure	Coverage	Cost Type	Cost Category	Open Reserves	Amount
(1) Vehicle	Collision	Claim Cost	Auto body	$2,500.00	$9,000.00
Sum:				**$2,500.00**	**$9,000.00**

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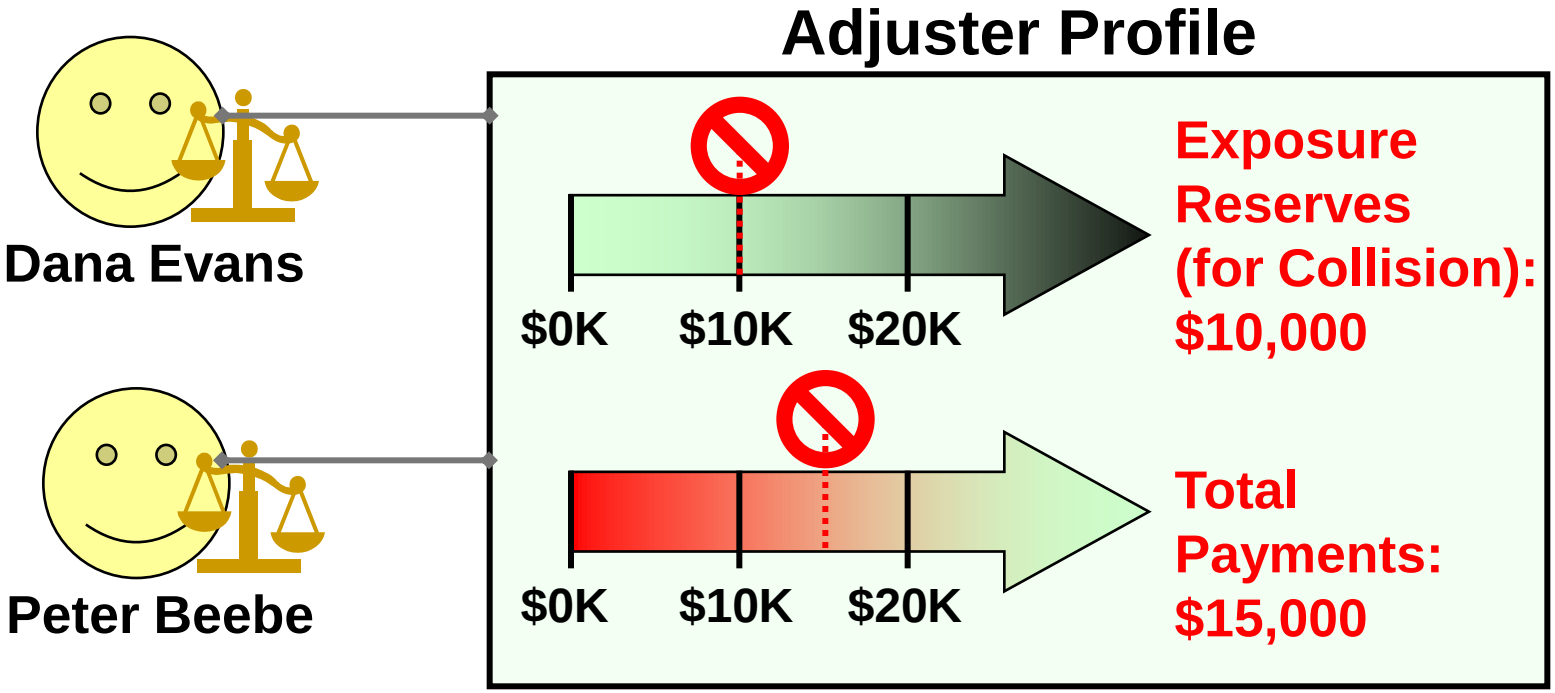
Authority Limit Profiles



- An authority limit profile is a collection of authority limits assigned to one or more users
  - Can be pre-defined (created once and shared across multiple users)
  - Can be custom (created for a single user)

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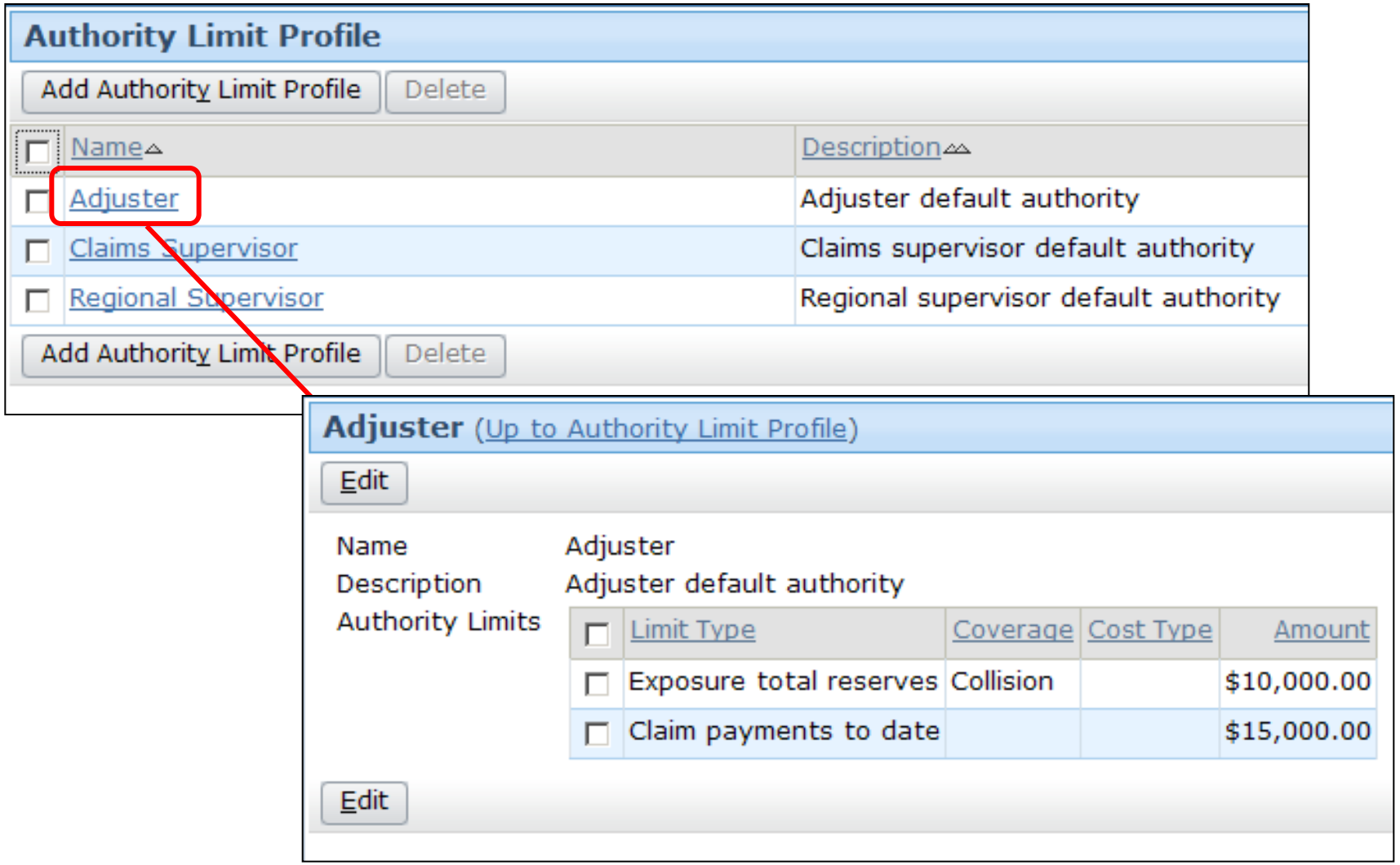
Creating Pre-Defined Profiles



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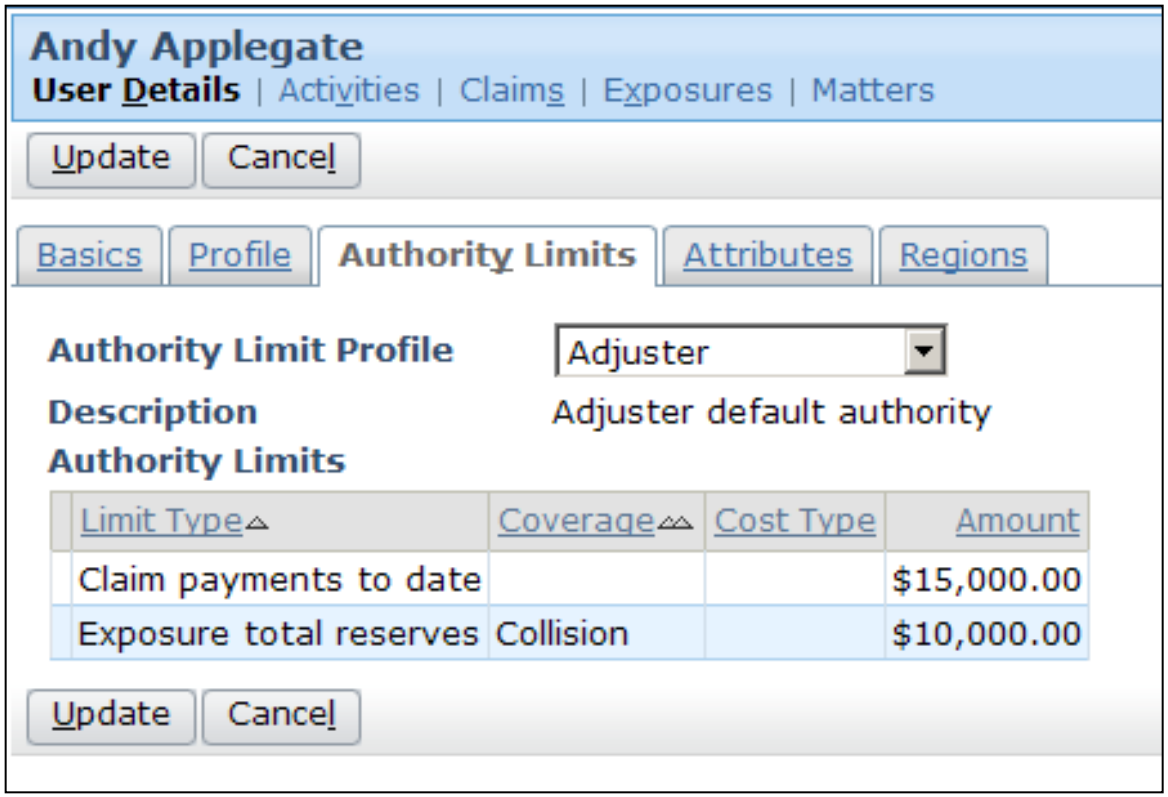
Assigning Pre-Defined Profiles to Users



- Each user can have at most one authority profile
  - Profile is assigned through the User screen

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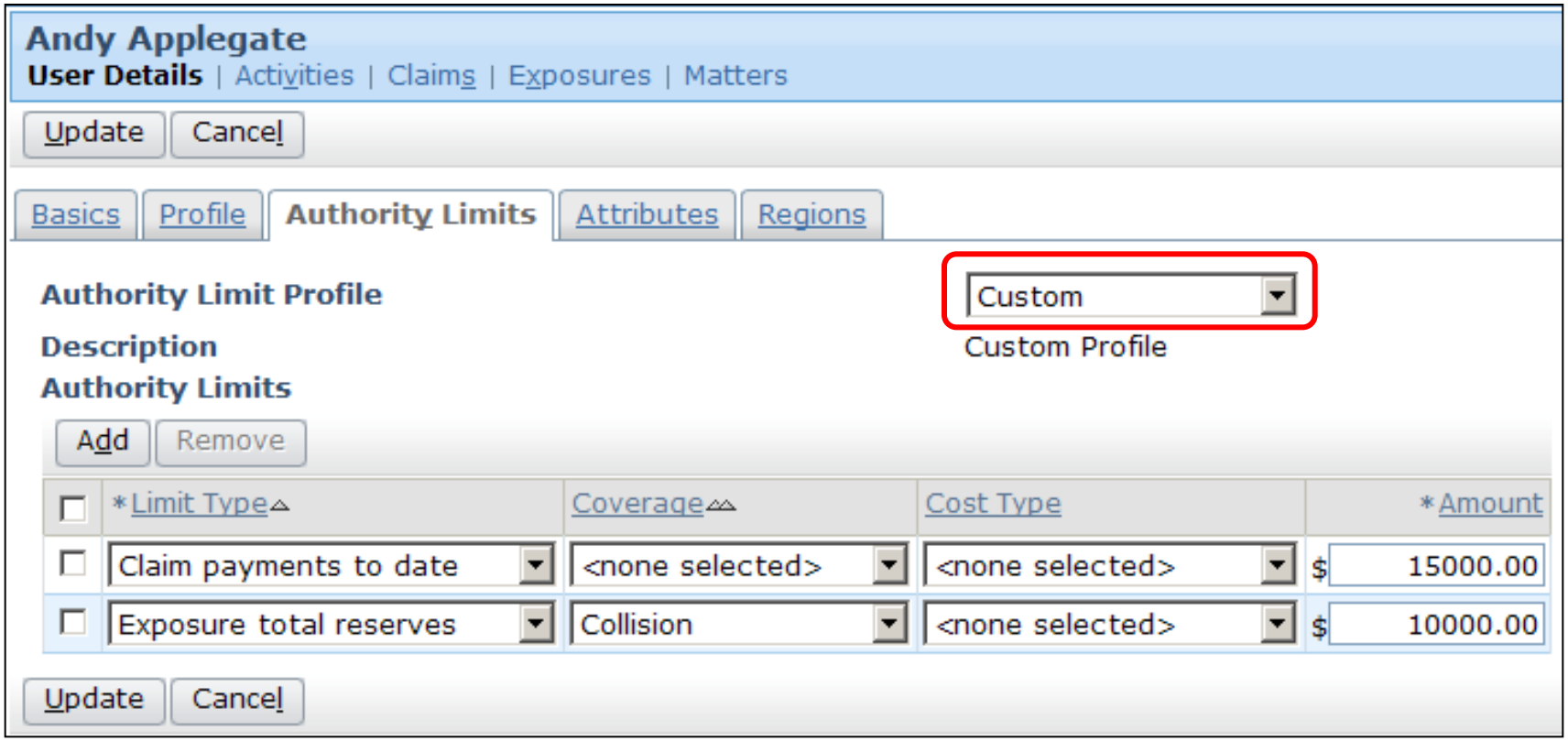
Assigning Custom Profiles to Users



- Can also assign a custom profile to a user
  - Specifies set of authority limits that are not shared with other users

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Lesson Outline

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- Transaction Approval Rules
- Approving Transactions

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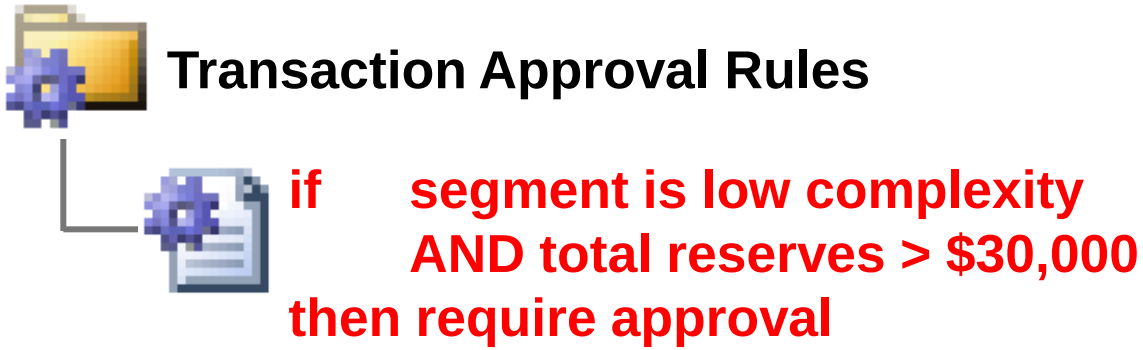
Transaction Approval Rules



- Transaction approval rules implement approval logic that cannot be captured in an authority limit, such as
  - Logic beyond the given limit types
  - Logic tied to attributes other than coverage and cost type
  - Logic that cannot easily be associated to given users

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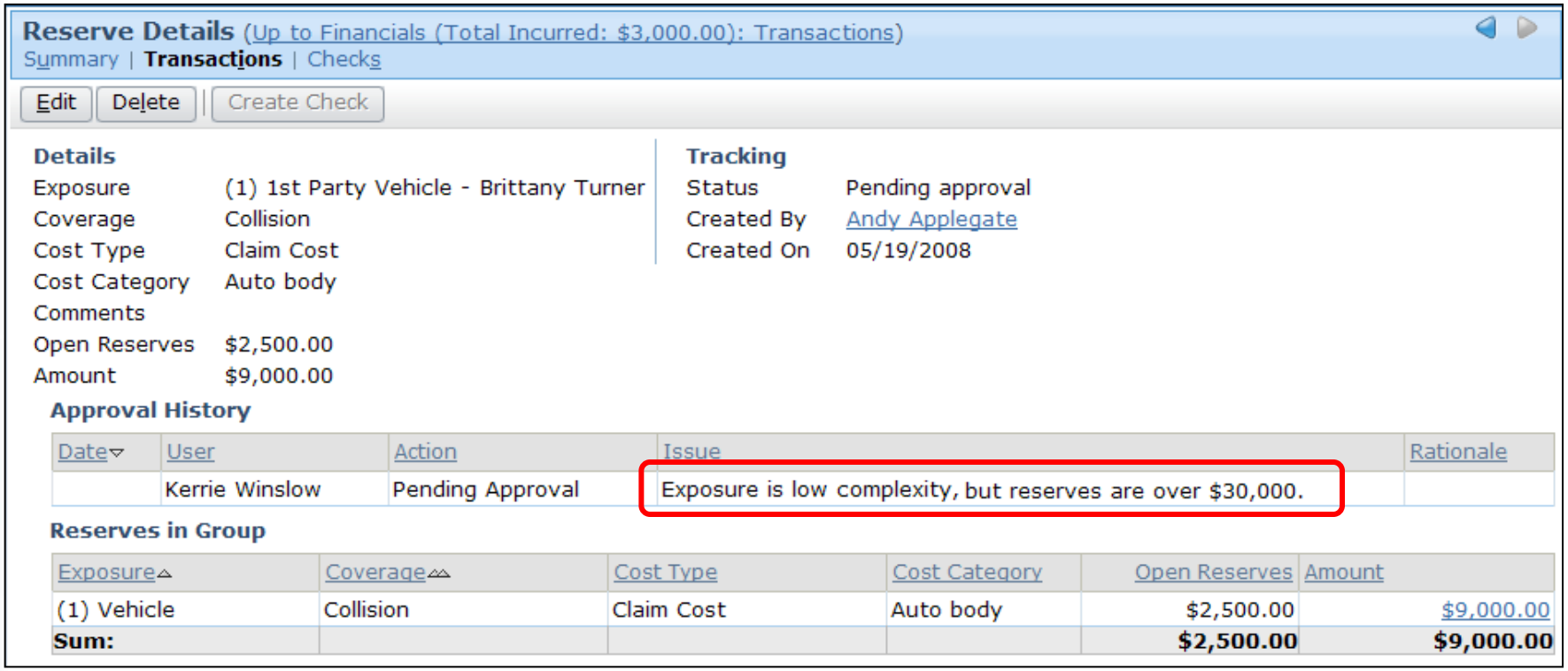
Transaction Approval Rules in the User Interface



Reserve Details (Up to Financials (Total Incurred: $3,000.00): Transactions)

Summary | **Transactions** | Checks

Edit | Delete | Create Check

Details

Exposure	(1) 1st Party Vehicle - Brittany Turner
Coverage	Collision
Cost Type	Claim Cost
Cost Category	Auto body
Comments	
Open Reserves	$2,500.00
Amount	$9,000.00

Tracking

Status	Pending approval
Created By	Andy Applegate
Created On	05/19/2008

Approval History

Date	User	Action	Issue	Rationale
	Kerrie Winslow	Pending Approval	Exposure is low complexity, but reserves are over $30,000.	

Reserves in Group

Exposure	Coverage	Cost Type	Cost Category	Open Reserves	Amount
(1) Vehicle	Collision	Claim Cost	Auto body	$2,500.00	$9,000.00
Sum:				**$2,500.00**	**$9,000.00**

- No distinction in the user interface between transactions which exceed authority limits and transactions which triggered transaction approval rules

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Lesson Outline

- Authority Limits
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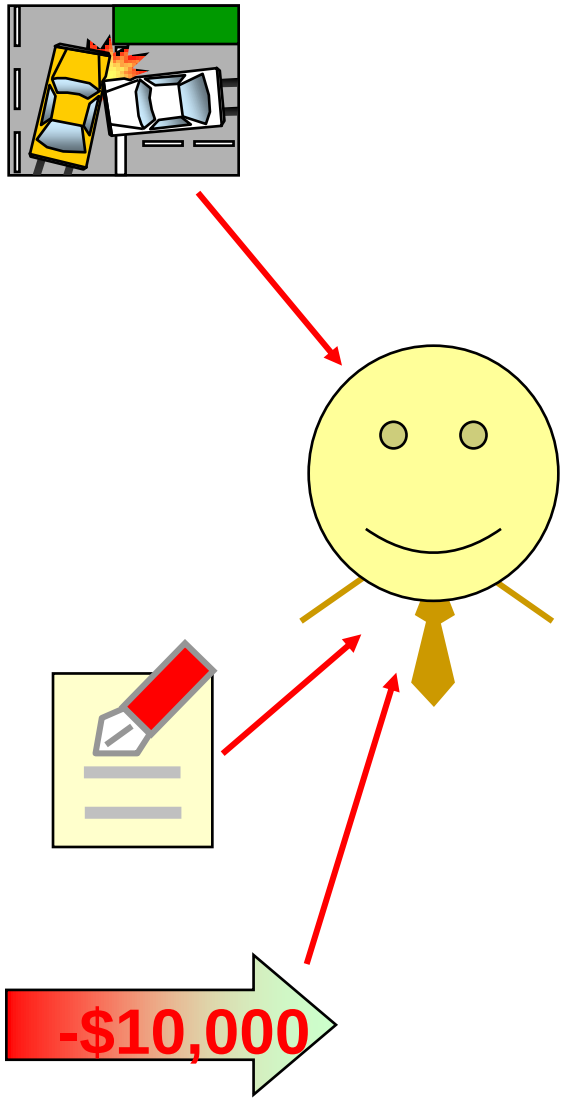
Review: Objects That Require Attention

- Claims, when important activity on claim has occurred, such as:
  - Claim reported two weeks ago and fault rating has not be specified
  - Auto is total loss and salvage is now required
  - Lawyer for third-party claimant has been added
- Activities, when still open as of escalation date
- Transactions, when either:
  - Amount exceeds a given threshold
  - Given condition occurs



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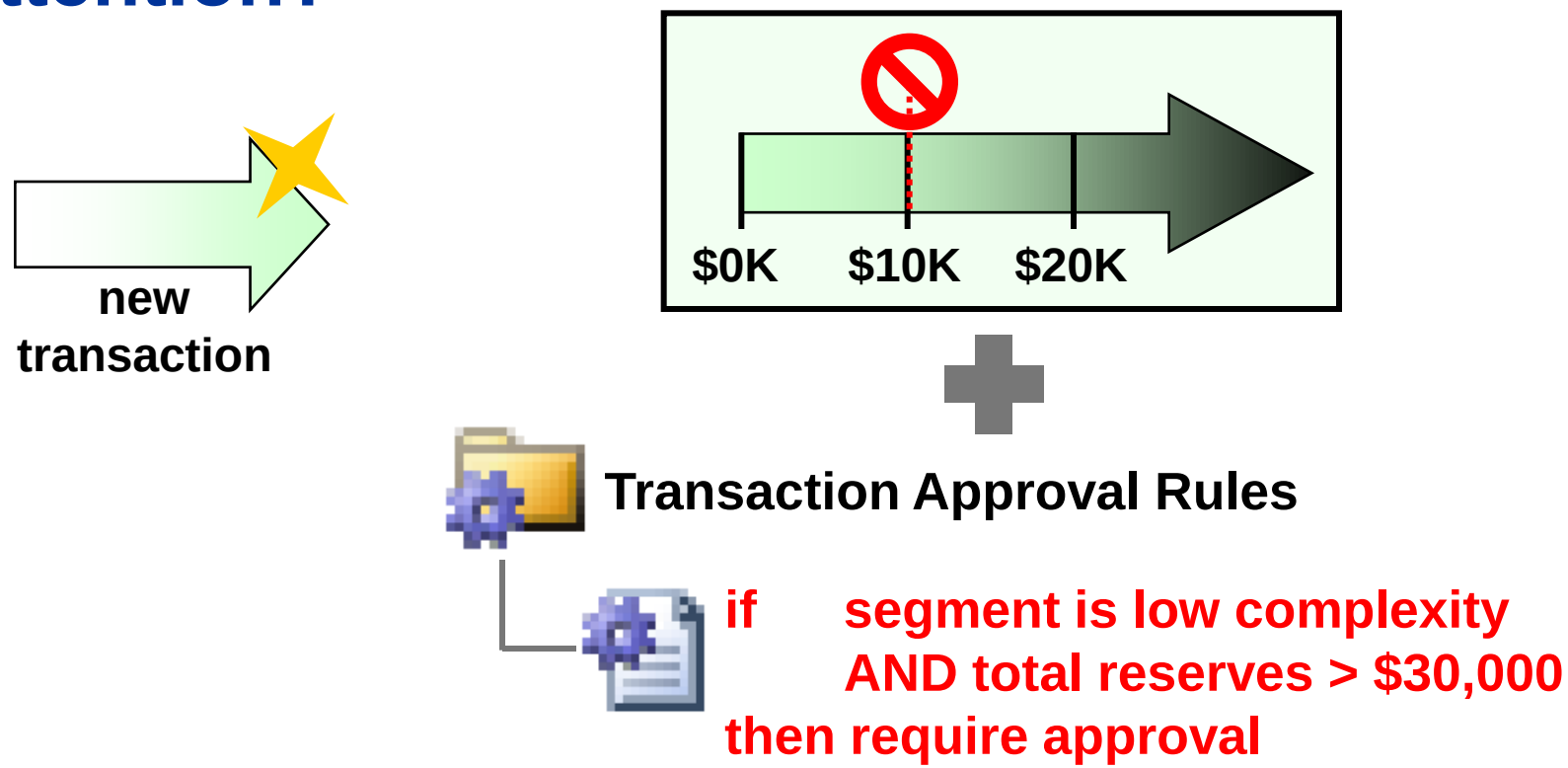
What Causes a Transaction To Need Attention?



- New transactions are checked against the user's authority limit profile and against transaction approval rules
  - Either set of logic can set the transaction to requiring approval

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How Does ClaimCenter Respond?

Financials (Total Incurred: $3,000.00): Transactions

Summary | **Transactions** | Checks

Reserves

Create Date	Amount	Exposure	Coverage	Cost Type	Cost Category	Status	User
05/19/2008	$9,000.00	1	Collision	Claim Cost	Auto body	Pending approval	Andy Applegate

Activities (1 - 1 of 1)

My activities today | Assign | Skip | Complete | Approve | Reject | Print/Export

			Due	Priority	Subject	Claim	Insured
☐	☆		05/19/2008	High	Review and approve reserve change	000-00-000245	Brittany Turner

My activities today | Assign | Skip | Complete | Approve | Reject | Print/Export

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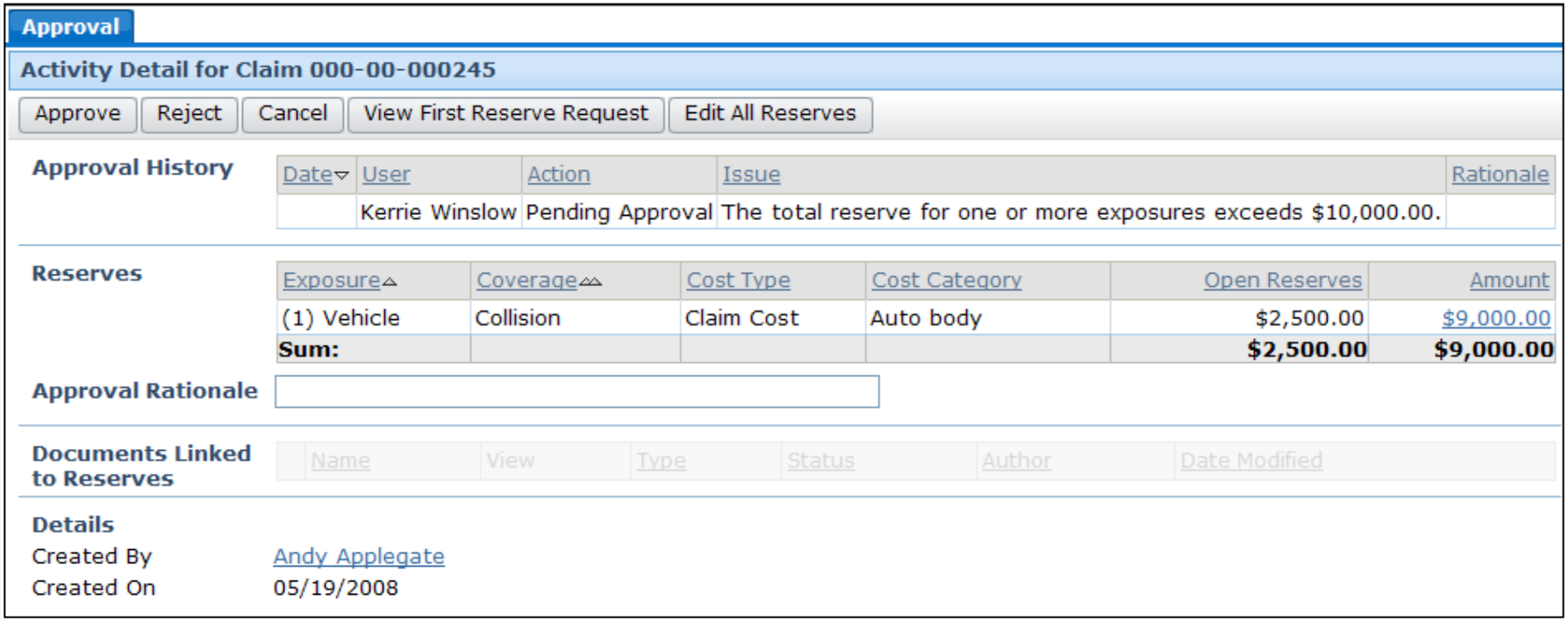
How Does the Supervisor Respond?



- Supervisor should:
  - Approve or reject transaction
    - Closes activity
  - Take action as appropriate if transaction is rejected

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Transactions That Require Attention

	Cause	System Response	Supervisor Response
Claim	- Exception rules set claim to flagged	- Flag icon displayed in info bar and list views	- Attend to the issue, THEN - Remove claim flag
Activity	- Activity is open on or after escalation date	- Escalation rules executed - Escalated icon displayed in list views	- Attend to the issue (such as reassign activity)
Trans-action	- Amount exceeds authority limit profile, OR - Rules determine approval is required	- Transaction status set to "pending approval" - Approval activity created and routed to supervisor	- Approve or deny activity - If denied, address as appropriate

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Lesson Objectives Review

You should now be able to:

- Describe the functionality of authority limits
- Describe the purpose of transaction approval rules
- Describe how supervisors approve transactions

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Review Questions

1. Does a transaction require approval when it:
   a) Is not flagged by transaction approval rules but exceeds the user's authority limits?
   b) Does not exceed the user's authority limits but is flagged by transaction approval rules?
   c) Exceeds the user's authority limits and is flagged by transaction approval rules?
2. An authority limit consists of a condition and an amount. What three values can optionally be specified to create the condition?
3. What two things does ClaimCenter do when it determines that a transaction requires approval?

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