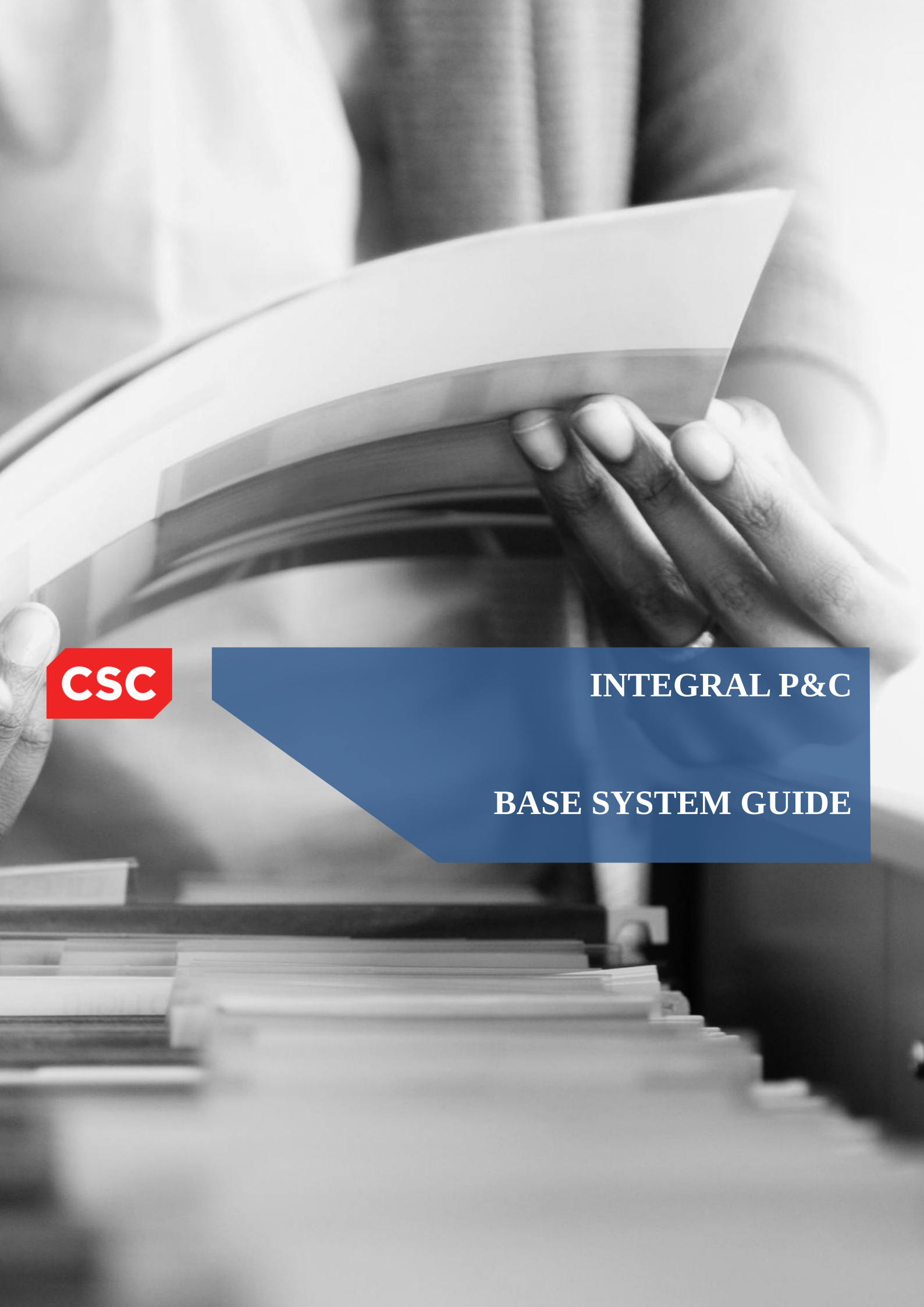

INTEGRAL P&C

BASE SYSTEM GUIDE

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1. Introduction

1.1 Purpose

The purpose of this document is to give an overall introduction to the CSC Integral Property and Casualty (P&C) base system and briefly explain available functionality. It has been designed so those individuals that are newly introduced to the system can refer to this document as background information. Together with the Integral Financial Services Umbrella (FSU) Base Guide, this document is the base training material and reference guide for General Insurance Company's staff after the completion of the initial structured training.

1.2 System Structure

The system has been designed so that it is Client Driven and Table formatted. (If any of these terms is unfamiliar they will be explained later in greater detail.) In addition to this, the system may accommodate the requirements of a composite Life, Group and General Insurance Office. This is achieved by a modular design of the system and the result of this approach is Integral FSU Application and either or a combination of Integral Life, Integral Group and Integral P&C.

1.3 INTEGRAL FSU

INTEGRAL FSU (Financial Services Umbrella) contains the Client Database, General Ledger, Receipts, Media Payments, (Direct Debit and Credit Automatic Cheque Production), Group Billing and Standard Letters.

One of the main differences between this system and computer systems of the past is that it is Client Driven rather than policy. This means that everyone that has any dealing with the General Insurance Office is registered as a Client. This means all the policyholders, beneficiaries, payees, reinsurers, coinsurers, etc. will all be registered as a Client in the Client Database. In addition to the normal policy dealings all suppliers of stationery, utilities and normal accounting style transactions will be also required to be clients of the system. The amount of information collected on these clients is of a basic nature, name, address, contact numbers, email, etc. Clients can be Corporate or Individual clients.

To distinguish clients and their dealings with the company, the system records the Client's Roles. These roles can be Client, Agent, Beneficiary, Payee, etc. Once a client record is use in transactions, the system automatically assigns/adds a role for that client. Example, when a client is used as a policy owner, a client role of policy holder is assigned. When the claim client is used as a claimant, a client role of claimant is added as a role for the client.

The advantage of having a Client based system is that your marketing functions can be centralised, notices and direct debit bills can be collated, etc.

As mentioned above, FSU in addition to the Clients Database holds the General Ledger and Payment System. This enables a composite office to maintain a single General Ledger and Payment System.

1.4 INTEGRAL P&C Application

The application will hold all the rules relating to the policies, such as Product Definition, Method of Payment, Commission Calculations, Reinsurance Arrangements and so on.

In the base system all the rules are held on tables and hence the term table driven. The reason for these tables is so that a flexible approach can be made maintaining policies and any changes to policy rules can be accommodated by amending tables rather than hard-coded programs. The obvious advantage of this system is that changes can be accommodated easily and new products can be designed and set up in a very short period of time, assuming no new programming features are required.

On-line is an expression describing a transaction completing as you commit the change by clicking Continue on the final screen thereby fully updating the database immediately. There are some transactions that whilst complete in the same day as input there could be a delay prior to reviewing the results, normally only a couple of minutes. The reason for this situation is that these transactions, such as, policy issue will need to write a large number of records, accounting, policy history and more and if this was in "on-line" it would hold the record on the screen and inhibit the clerk's efficiency. To assist this, the transaction will go into a background queue freeing up the screen for further input. This background queue is referred to as processing in Asynchronous Thread or AT.

Therefore, the system has three methods of processing, On-Line Real Time, Asynchronous Thread and the common overnight batch processing for things like General Ledger Update.

1.5 Tables

The system makes extensive use of codes and information in tables to define the rules and processes required for each type of application and product. A table may hold valid codes with additional information, or may have an extra data screen containing further information for each of the code entries.

Some extra data screen tables are dated tables, that is, a "from" and a "to" date can be entered and the information contained on that particular table is valid for that date range. Dated tables cater for alterations to policy rules that apply to specific date range such as legally imposed changes or changes to premium or commission rates.

Some common functions require processing that is specific to a particular product type. In such circumstances, tables are used to point to processing subroutines, for example, extra charges and renewal processing. These subroutines in turn may also reference other tables during processing. The subroutines delivered with the base system are method based and can be customised and created according to the product's requirements, for example premium calculation methods, unearned premium (premium reserve) methods, rounding routines, etc. Since programs access tables to obtain the required subroutines, there is no need for hard coding of these subroutines in the programs. This approach provides flexibility, since table entries and subroutines can be tailored to individual requirements.

Each code item on a table has a constant format and this format is referred to throughout the system and all documentation as the key. In some tables, the item key may consist of asterisks where the key, or part of that key, applies to all cases.

Some table fields exist because an area of processing has been recognised, but little or no functionality has been added to the base system. This is due to the fact that there are so many differing insurance processes and practices; hence, CSC provides the minimum and expects clients to customise these areas.

1.6 Policy Structure

Policy information of an insurance product is structured into three main level of processing in Integral P&C. This is usually established upfront prior to any processing of the nominated product. The appropriate tables need to be set up for validations, system default data, processing and calculation rules, earning, etc.

This structure allows for a wide range of policy types or "product packaging" to be supported by Integral P&C. They can range from a policy type with simple single-risk/single-premium class, to multi-risks/multi-premium classes.

1.6.1 Policy Header

At the top of the policy structure is the policy header. It stores standard information which is common to all policies, such as:

- Policy type and number
- Policy period – inception and expiry dates
- Servicing agent
- Policy owner name and number
- Billing currency, billing type
- Renewal information

Supplementary information may be attached at both the policy and risk levels. At the policy header, information such as a Despatch Address, a Payer, Direct Debit Details, Endorsement Note, General page and Co-insurance can be added.

Policy types are also associated with a Company Major Class, Head Office Major Class and Government Major Class. This allows the system to make appropriate grouping in various reports so that financial information can be provided in convenient forms to the various external parties.

1.6.2 Risk Type Details

On the next level down is the risk details. User-defined details are maintained to reflect the information requirements for each type of risk. There may be one or many separate risks forming the policy. These can be of the same risk type or different types. There is no limit to the number of risk types that can be associated with a policy type. The association of risk types to policy types is controlled through the Valid Risk/Premium Class for Policy Table (T4688). The system will use this table to verify that correct risk types are attached only to the permissible policy types.

Generally, insurance companies have different requirements on risk details to be captured into the system. In the Integral P&C system, there are 20 different types of risk details are provided which should cover most needs for general insurers. Should new requirements be necessary, programmers can produce a new risk type at any time and add them to Integral P&C.

Examples of risk information include:

- Insured item specification and coverage
- Sum insured currency and amount
- Nature of risk and risk premiums
- Interest codes and classifications
- Premium rating factors
- Risk locality or accumulation details
- Motor vehicle details as required
- Reinsurance method and details
- Clauses and warranties

Supplementary information for risks may include, Interested Parties such as hire purchase/finance companies or mortgagors, General Page narrative text, Clauses, etc.

1.6.3 Premium Class Details

At the bottom level is the premium class record. The Premium Class is the lowest level for tracking premium in the system. It is usually associated with perils or breakdown of risk premium for risk analysis purposes or statutory reporting purposes. The Premium Class Table (T3640) controls the valid premium codes and the Valid Risk/Premium Class for Policy Table (T4688) controls how risk types are broken down into premium classes. Premium class records have a standard format containing information like:

- Full annual and posting premium per premium class
- Commission and overriding commissions , if any
- Extra charges amounts
- Short term loading

Additional premium records are created for each reinsurance and coinsurance account.

1.7 Policy Construction

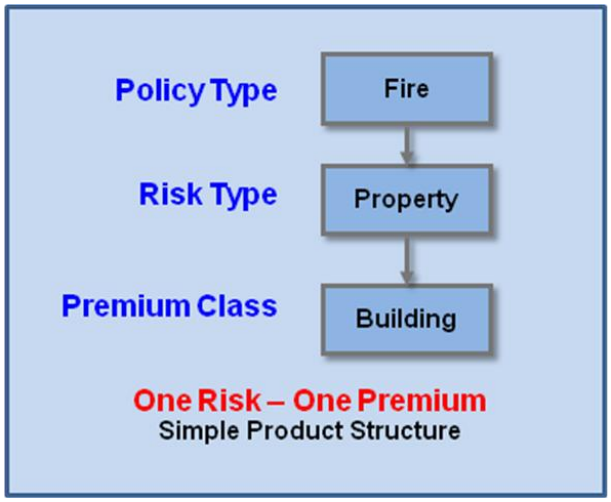
Within this three level structure, there are a number of elementary policy constructions possible. These are:

- One Risk - One Premium
- One Risk - Multiple Premium
- Multiple Risks - One Premium

Policies may be assembled using any number and or combination of these constructions. Here are some examples each with a diagram reflecting the structure of Policy, Risk and Premium Class.

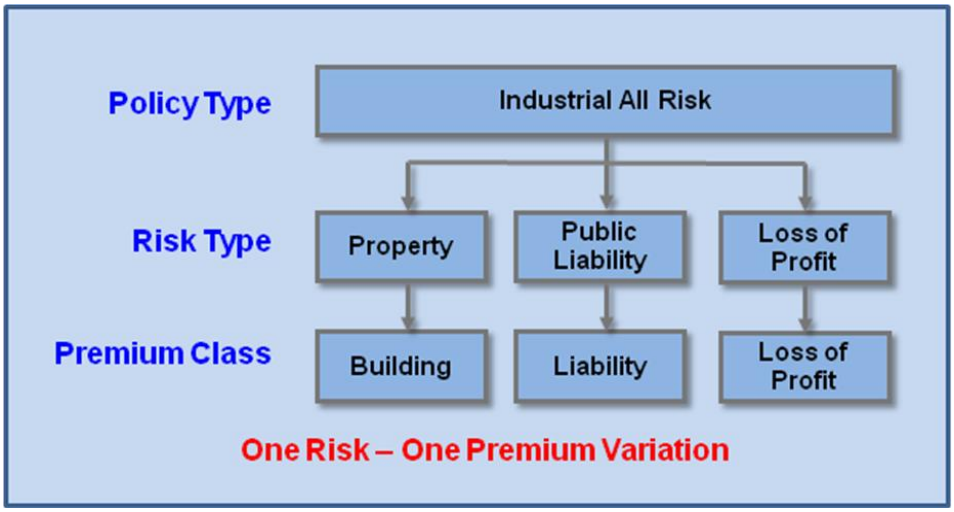
1.7.1 One Risk - One Premium

This is the simplest structure and would be applicable to the majority of policies. An example would be a simple fire policy, with one risk and one premium class.



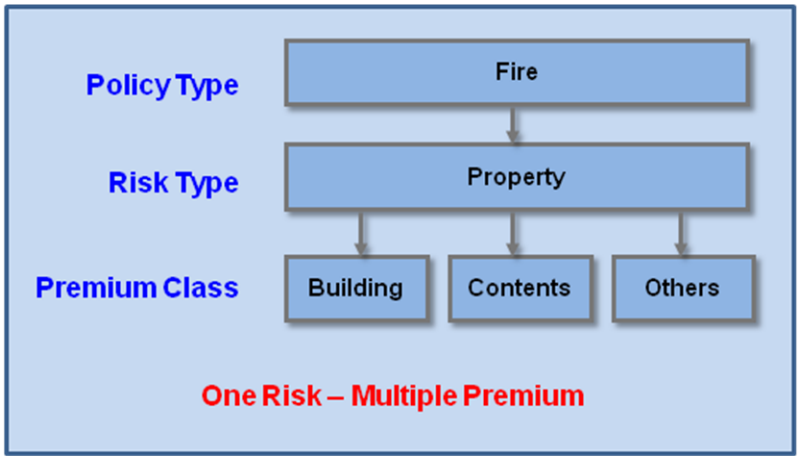
An important policy construction using multiples of this simple elementary building-block is a package policy where each risk is different and each risk has a separate premium class associated with it.

An example would be an Industrial All Risk policy which is made up of different risk types such as fire, public liability and loss of profit. Each risk type will have a separate premium class associated with it.



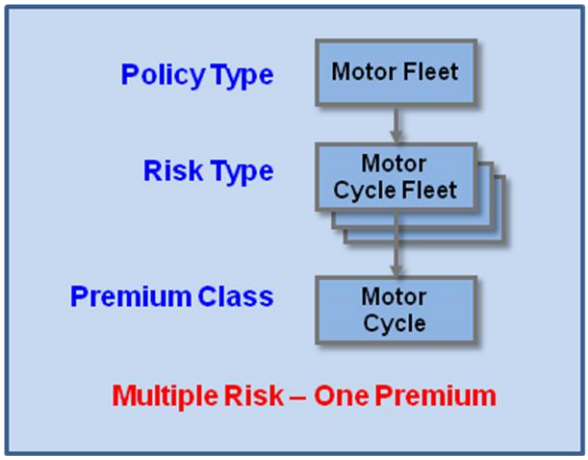
1.7.2 One Risk - Multiple Premium

This structure is for those risk types which require premium and commission and so on to be separated for each risk. An example may be a Fire Policy which covers the Building, Contents and Rental Compensation. Here the Premium Class indicates these covers.



1.7.3 Multiple Risks - One Premium

This construction is for multiple risk policies of the same class that do not require separate premium particulars for each risk, that is, only one premium is required. An example is Motor Vehicle Fleet, where the details of individual motor vehicles are required but only a single premium needs to be calculated and posted.



1.8 Products Supported

The base system supports all typical general insurance products, both personal and commercial lines of insurance. Products included but not limited to the following:

- Fire : Fire, Business Interruption, Industrial All Risk, Houseowner, Householders.
- Motor : Compulsory, Comprehensive, Third Party, Third Party Fire & Theft.
- Engineering : CAR, EAR, Machinery, Breaker, EEI
- Person : Personal Accident, Travel PA
- Marine : Cargo, Inland transit, Hull, Pleasure craft
- Property : All Risk, Burglary, Money, Plate Glass.
- Liability : Public, Workmen Compensation, Employers Liability, Product

It is possible for users to define new products within Integral P&C without having to develop new programs. The user needs to structure the new product along with the Policy Type, Risk Type and Premium Class codes.

An example of products supported and their structure is as follows:

Policy Type	Code	Risk Type	Code	Risk Screen	Prem Class	Code	Claim Stat
Cargo	MCG	Sea	MCP	S4804	Marine	MCM	S4234
		Others	MCO		War	MCW	
M Hull	MHU	Comprehensive	MHC	S4802	Hull	MHU	S4235
					Liability	MTP	
Workmens Compensation	WWC	Workmens Compensation	WWC	S4811	Anuual	WCA	S4238
					Contract	WCC	
Private Motor	VPC	Pte Car	VPC	SP003	Pte Car	VPC	SP035
					Act	ACT	
Private Fleet	VPF	Pte Fleet	VPC	SP003	Pte Fleet	VPC	SP035
Commercial Vehicle	VCV	Goods Carrying	VGC	SP004	Gds Carry'g	VCV	SP035
		Pte Bus	VPB	SP004	Pte Bus	VCV	
Commercial Fleet	VCF	Gds Carrying	VGC	SP004	Gds Carry'g	VCV	SP035
Fire	FIR	Fire	FIR	S4800	Building	FBD	S4233
					Content	FCN	
Consequential Loss	LOP	Consequential Loss	LOP	S4800	Con Loss	LOP	
Industrial All Risk	IAR	Fire	IFI	S4800	Building	IFB	S4233
					Content	IFC	
		Con. Loss	ILP	S4800	Con Loss	ILP	
		Pub Liability	IPL	S4810	Pub Liab	IPL	
		Electronic Equipment	ICD	S4813	C Mtl Dmg	ICD	
		Money	IMO	S4808	Money in premise	IMO	
Personal Accident - Indiv	PAI	PA - Individual	PAI	S4809	PA - Individ.	ACC	S4236
Performance Bond	GPB	Perf. Bond	GPB	SR4A3	Perf Bond	GPB	
Eng - CAR	ECR	Contr All Risk	ECR	S4812 SR4A1	Mat'l Dmg/TPL	ECR	
Eng - EAR	EER	Erection All Risks	EER	S4812 SR4A1	Mat Dmg/TPL	EER	
Deterioration of Stock	EDS	Deterioration of Stock	EDS	S4803	Det of Stock	EDS	S4239
Machinery Breakdown	EMB	Machinery Breakdown	EMB	S4806	Mach B/down	EMB	
Burglary	ABG	Burg-Bank	ABK	S4805	Burglary	ABK	
Fidelity Guarantee	AFG	Fidelity Guarantee	AFG	S4810	Fidelity Guarantee	AFG	

2. Underwriting Concepts

Processing of underwriting transactions is menu–driven. New business, quotation and cover notes are all handled online, as are other normal business functions such as endorsements, cancellation and lapses. Considerable use is made of table-based variables, allowing user control over such matter as rates, area, construction and occupation. Policy schedules can be printed online or in batch. The renewal provides the means of controlling the renewal of policies with advance review listing and generation of expiring notices.

2.1 Policy Numbering

Policy number is automatically allocated by the system given the policy types. The automatic number allocation capability allows the inclusion of alpha-numeric characters as a prefix to be concatenated as part of the numbering structure.

The Policy Type Definition Table (T3681) contains the alpha prefix pre-set for Policy, Claims and Cover Note numbers. A maximum of 2 alpha-numeric characters is allowed.

The Auto Numbering Allocation Table (T3642) controls the range of numbers which may be allocated for a particular field and whether a check digit is to be added. The packet size is used in conjunction with the Top Up program to determine how many numbers are to be held for a particular field in the Allocation File (ANUM).

2.2 Policy Status

The policy status code on the policy header determines:

1. If the policy is In Force
2. If the policy is undergoing batch renewal
3. If the policy is undergoing an on-line function

When the policy status code is of type 2 and 3 (refer to example below), then the policy is in the process of changing, as it is currently having a function performed upon it. Once the function is completed, the policy will revert to a status code of type 1. In this way, the system is able to check if it is valid to perform a particular function, given the current status of the policy.

Example of status codes

Policy in force status codes	IF - In Force
	CA -Cancelled
	LA - Lapsed
	QU- Quotation

Renewals Status codes	RR – Manual Review Required AR – Awaiting Renewal MR – Manual Review Completed AC – Awaiting Certificate FR - First Reminder SR – Second Reminder
Pending Status codes	PN – Pending New Business PR – Pending Renewal TU – Pending Take up PE – Pending Endorsement CP – Pending Cancellation CU – Pending Clean up

2.3 Dates

2.3.1 Commencement Date

This is the date from which the policy is in force. Each time the policy is renewed; this date is changed to reflect the new term of insurance. Please note that the system also internally captures and maintains the first commencement date of the policy.

2.3.2 Original Commencement Date

This is the first inception date of the policy and will never change during the life of the policy. It is used to indicate when the policy first became effective.

2.3.3 Risk Attachment Date

This is the effective date that a risk was attached to a policy. It will never change through the life of a policy. During New Business, the attachment date will be the same as the effective date. If a new risk is added to a policy during a subsequent endorsement, then that risk will have an attachment date equal to the effective date of the endorsement. This date is used when making endorsements or claims to verify that the risk selected was in force at the time of the endorsement or claim.

2.3.4 Effective Date

This date has a huge effect on the processing of the policy. It is entered whenever an underwriting transaction is performed and is subsequently used for rating of premiums, location of reinsurance treaties, claims proving, schedule printing and so on.

For different functions, the effective date will be different. The definitions are:

New Business	Inception Date
Take Up	Original Inception Date
Endorsement	Effective Date as entered by the user on the Sub Menu.
Cancellation	Effective Date as entered by the user on the Sub Menu.
Renewal	Expiry Date
Lapse	Expiry Date

2.4 Cash Before Cover

This feature ensures that policy premium has been received before issuing the policy. If Cash-Before-Cover (CBC) is required, this has to be set up at the product level in the Policy Type Definition Table (T3681). The feature applies for premium in the following payment mode:

a) Cash / Cheque / Demand Draft
b) Direct Debit / GIRO
c) Credit Card
d) Debit Card
e) Bank Guarantee
f) Agent Float
g) Cash Deposit

For the Agent Float concept,

1. Agents are given an initial float amount at the product level.
2. The system allows agents to issue the policies against the float amount. If the float amount is insufficient then system should not allow issuance of policies.
3. When the premium amount is deposited by the agent, the system should allow registration of the amount through the receipt creation and replenish the float.

In case of Bank Guarantee, the system should allow issuance of policies against the Bank Guarantee and the premium is assumed paid as long as Bank Guarantee amount is equal to or more than the premium to be collected. When the premium amount is received, then it can be knocked off against the policy premium amount.

For Cash Deposit mode, Corporate Clients usually deposit cash in advance to use for premium against their policies.

Assumptions:
When the settlement mode is Agent Float or Bank Guarantee, the policy is assumed paid as they are covered and hence commission will be released immediately upon debtors posting.

For Refund Premium during Endorsements and Cancellations, the refund premium shall only be applied to Policy suspense.

The following are the exclusions:

- Instalment Billing
- Foreign Currency Settlement
- Pre-debit and Auto-Renewal
- Tolerance
- Fund handling
- Branch handling

During an underwriting transaction where premium is required to be collected for the policy, the system displays a new screen and requests the input from the user on whether the policy premium will be settled in Gross or Net Basis. Upon entry, the system checks whether there is enough Policy Suspense to cover the policy premium on Gross or Net Basis. Then the Policy Suspense is reduced / increased by the premium amount and the Account Balance (ACBL) file is updated.

2.5 Underwriting Limits

Integral P&C provides a facility to set up underwriting limits in the user security profile. The security administrator can specify the maximum sum insured amount by company/policy type/risk type that a user is authorised to work on before the user can issue the policy.

The details defined in the Underwriting Limit screen may be specified for all policy types or for selective policy types and risk types that a user is authorised to work on. The Underwriting Limit validation will check the User Limit by policy type, risk type, rating flag and underwriting limit.

The **Rate Flag refers to the Risk Rate flag** entered in the risk screen. It could be Automatic (A), Manual Rate (M) or Both (*). It is used in conjunction with the Overriding Flag at the Premium Posting screen.

There is also an **Overriding Flag** (value Y/N) for each determined underwriting limit. When 'Y' is entered, it allows the user to override the Calculation Method Flag on the Premium Posting screen to Manual premium posting. Manual premium posting allows the user to manually override the Posted Premium.

Example

Policy Type	IAR
Risk Type	IFI
Rate Flag	Automatic
Underwriting Limit	5,000,000.00
Overriding Flag	'N'

If the risk rate flag is Automatic rating for specified policy of policy type IAR and risk type IFI, then overriding the Premium posted in a Premium Posting screen with Calculation Method "Manual" is not allowed. If the risk rate flag is set to value other than "Automatic", then manual override of posted premium in the Premium Posting screen is allowed.

In addition, the risk cannot have a sum insured exceeding the specified Underwriting Limit of 5,000,000. This check is performed when the user tries to issue the policy. Thus the policy issuance will not be allowed for policy that failed the Sum Insured check.

2.6 Non-Automatic Rating Control

This security feature allows sanctioning by rating flag at the risk level. The security administrator is able to restrict the user to use a specific Non-Automatic risk rating flag for selected transaction codes and risk types.

The possible values are Manual Rate (M) and Flat Rate (F). The Flat Rate Flag is similar to manual rating in that the premium rates are to be manually input at the risk screen. However, during batch renewal, risks with rate flag 'Flat Rate' shall undergo automatic review and would not be manually reviewed. Rate Flag 'Manual Rate' remains unchanged, that is, it will undergo manual review during batch renewal.

2.7 Minimum Premium & Maximum Number of Risks

Integral P&C provides a facility to set up the minimum premium and maximum number of risks required for each Policy Type. When a policy is being issued, a check is performed to ensure that the total premium of the policy issued is not less than the minimum premium specified in the Policy Type Definition Table (T3681).

When new risks are created, the system will check that the number of risks input has not exceeded the maximum allowed set in table T3681.

2.8 Risk Validation Rules

The Risk Validation Rules Table (TR80W) is used to define risk validation rules such as the fields that are mandatory or optional, the associated error code and the default value if any.

This is used to supplement the in-built validation in the risk programs. It is particularly useful in situations where an installation has different validation rules for the same field in the same risk screen when used at different branch sites.

Example:
In Singapore the Sum Insured Currency is mandatory but in Hong Kong, it is optional for the same risk screen.

Since the fields are defined in the native technical term, the user would need to work with the technical team to define these rules.

2.9 Risk Sum Insured

The sum insured field is used to capture the limit of liability, or the limit of cover for interest insured. Note that the total sum insured is passed through the system and used during reinsurance cessions.

Sums Insured must be entered in whole units of currency and the system will allow sums insured to be specified in foreign currency. In this case, the system records the Sum Insured in both foreign currency and its local equivalent.

On some screens, sum insured values can be pre-set by auto rating facilities, i.e., Hospital and Surgical.

Note that an Underwriting limit can be set for a specific product such that a policy for the product cannot be issued if the Sum Insured exceeds the Underwriting Limit set for the user. Refer to the section on Underwriting Limits for more details.

2.10 Risk Rate Flag

Integral P&C has two methods of arriving at the posted premium amount on the risk screen. The method is selected by the user by entering 'Automatic' rating, 'Manual' rating or 'Fixed' rating in the Rating flag or Re-rate field on the risk screen.

Manual rating requires the user to always **manually enter** the premium on the screen. The annual premium is not calculated. Fixed rating is used for risks that are to be manually rated or entered but to undergo automatic review rather than manual review during batch renewal. This is useful for risks that have a high volume of input that require manual rating only during new business and the same flat premium rate is

used during subsequent renewal. This feature allows for policies to be manually reviewed but do not require premium re-rating during renewal. Refer to re-rate flag in the Batch Renewal section for more details.

With Automatic rating, the system is auto-rating the risk based on various risk factors. If the risk screen does not support auto rating or the rating factors are unusual, then the screen will not allow this method.

Irrespective of how the premium is entered into the risk screen, it must be associated with a valid premium class. The system will then pass the premium onto the Premium Posting screen. The premium entered and calculated in the risk screen must be the Annual Premium. Any pro-rata calculation will be done later at the premium posting stage.

The premium entered on the risk screen is always allocated to a premium class. On some of these screens, the user may not be aware of this as it happen behind the screens. In some cases, user will have to manually enter the premium class code on the screen and allocate an amount of premium to the class.

The risk screen will always total up by premium class, the annual and posted premium respectively. These premium class totals for annual and posted are then passed to the premium posting screen.

2.11 Premium

Each risk may involve a number of Premium Classes. For example on a Fire risk, the premium may be split between Building and Contents. Premium records are stored in the Premium File (PREM). The information stored in this record is the same for all risk types and includes such items as premium, discount, agent commission, overriding commission and other levies such as stamp duty.

The amounts described above are replicated for Annual and Posted figures. Annual figures are exactly that - amounts on an annualised basis. The Posted amounts are the actual amounts for this transaction and are the amounts that cause financial movements in the accounting systems. Posted figures are usually calculated on a pro-rata basis in the case of short or long term policies and for endorsements. It is the posted figures that are accumulated together for the transaction, and used to create the premium accounting transaction records.

There is a premium record created for every premium class used in the risk description or risk interest. At least one record will be created for every transaction performed on each risk, even if no premium amount is posted. Premium records are never modified or deleted.

The Valid Risk/Premium Class for Policy Table (T4688) controls the valid premium class and risk type combinations.

2.11.1 Annual Premium

The annual premium is the amount that would be charged if the policy is of 1 year duration. The annual column on the premium posting screen is used to indicate the future annual premium for the policy. The annual premium is used during renewal. The figures appearing in this column are calculated on the risk screen. The figures are

protected and served as the reference for the underwriter. If the amounts are wrong, then the user must return to the risk screen and adjust the risk details so that the annual premium will be recalculated.

If the risk is manually rated, then the annual premium is always the premium entered during new business. This is because the system does not know how to calculate the annual premium for manual rated policies.

2.11.2 Posted premium

The posted column of the premium posting screen displays the amount actually charged or refunded on the policy. The figures displayed come from the premium amounts entered on the risk screen by the user for the particular transaction.

2.12 Calculation Method

The system uses a pro-rata or a short period calculation method to determine the premium posted. If the policy term is less than a year, the defaulted method is Pro Rata (P), however, the user may alter this to Short Period (S) if required. The Short Period premium rules defined in the Short/Long Period Premium Rate Table (T4652) will be used to compute the posted premium.

The user may also manually calculate and overwrite the premium amount. entered using Calculation Method 'Manual' (M). This can only be done by users who are sanctioned to override the premium, that is, the Underwriting Limits profile of the user has the Override Flag 'Y' for the specified product (Policy Type, Risk Type) and the specified Risk Rate Flag (input at risk screen).

The calculation method Flat Amount (F) would not calculate premium based on the Period of Insurance (POI) of the policy. Regardless of what is the risk premium, a flat amount is brought forward to premium posting as the posted premium.

Example:

Marine Cargo policy - POI 01/04/2012 TO 30/06/2012

Transaction Type	Risk Premium as computed on S4804 Risk screens with rate flag 'Automatic' or 'Manual'	Expected Posted Premium (Flat Amount)
New Business	1000.00	1000.00
Endorsement (Any effective date within POI) which results in additional premium	1250.00	250.00
Endorsement (Any effective date within POI) which results in refund premium	900.00	(350.00)
Cancellation (Any effective date within POI)	900.00	(900.00)
Reinstatement	900.00	900.00
Renewals	900.00	900.00

Other Calculation Methods

There may be instances where users may override the defaulted posted premium with method 'Manual'. For cancellation, the system is calculating the refund premium based on the inception date of the current POI. Note that the user must be sanctioned to override premium in the Underwriting Limits set up.

Example:

Transaction Type	Risk Premium as computed on S4804 Risk screens with rate flag 'A' or 'M'	Calc Method	Expected Posted Premium (Flat Amount)
New Business	1000.00	F	1000.00
Endorsement (Any effective date within POI) which results in additional premium	1250.00	M	500.00
Endorsement (Any effective date within POI) which results in refund premium	900.00	M	(800.00)
Cancellation (Any effective date within POI)	900.00	F	(700.00)
Reinstatement	900.00	F	700.00
Renewals	900.00	F	900.00

A new field 'Default Calculation Method' is defined in the Valid Risk/Premium Class for Policy Table (T4688). The valid entries for this field are 'P'(Pro-rata), 'S'(Short period), 'M'(Manual overwrite), 'F'(flat amount) or spaces. If the value is spaces, method 'P' is defaulted to 'Calc Method'.

2.13 Commission

Integral P&C offers a number of ways in which commission may be set or calculated in relation to the premium written. These are:

- Standard Commission
- Special Commission according to a special table
- Non-Standard Commission according to a schedule associated with an individual agent
- Transaction level commission expressed as a percentage rate

All commission in the tables are set by premium class and expressed as percentages to be applied to the gross premium value of the transaction.

In the majority of transactions posted, the commission schedules are automatically defaulted to by the system to perform the commission calculation. However, provisions have been made to override the default setting at transaction level by entering the commission percentage through the premium posting screen and the commission will be calculated.

2.13.1 Variable Commission

There is a practice in the insurance market to allow a variable commission, which is higher than the Standard Company Commission and Agent Non-standard Commission to be given to an agent. This variable commission is to be captured in the respective risk screen and passed to the Premium Posting screen for processing.

Since the variable commission is to be captured in the risk screen, a routine for retrieving the variable commission from the respective risk file needs to be developed.

The Risk Type Table (T4677) has a field used for capturing the Risk Details Retrieve Routine. When a routine is attached to the risk type, it will be executed automatically by the Premium Posting screen for processing the variable commission.

When the variable commission captured in the risk screen is not zero, it will be adopted and defaulted to the Premium Posting screen. Otherwise, the existing process of defaulting it basing on Company Standard Commission and Agent Non-standard Commission will be executed. Without the stated routine set up in the Risk Type Table (T4677) to facilitate the variable commission, this feature would not be present.

2.13.2 Commission Calculation

In Integral P&C, the agent commission calculation is based on gross premium before discount while Overriding Commission is on gross premium after discount.

The commission calculation may differ from one country to another. Example, country/office A may adopt commission calculation based on Net basis whereas country/office B adopts Gross basis on commission calculation. To address this type of requirement, Integral P&C has a facility at the company level to handle basis of commission calculation for specific country.

- The system shall default the 'Commission Basis' in Premium Posting screen (SR410) and will allow changes to the 'Commission Basis'.
- The computation of Original Commission Plus (OCP) is dependent on the Treaty Participant Account (TPA). If TPA is applied, the system shall compute the OCP charges even if the OCP indicator is 'N'.
- The basic commission calculations are listed below:

Nett Basis

Agent Commission = (Gross Premium - Client Discount) * Rate

Management Expenses = (Gross Premium - Agent Commission – Client Discount) * Rate

Policy Commission = (Agent Commission + Management Expenses)

Admin Fees (Policy Fees) = (Gross Premium - Client Discount) * Rate

(O/Commission 'G' basis)
Overriding Commission = (Gross Premium - Client Discount) * Rate

(O/Commission 'N'' basis)
Overriding Commission = (Gross Premium - Client Discount - Policy Commission - Admin Fees) * Rate

Gross Basis

Agent Commission = (Gross Premium) * Rate

Management Expenses = (Gross Premium - Agent Comm –

Client Discount) * Rate

Policy Commission = (Agent Commission + Management Expenses)

Admin Fees (Policy Fees) = (Gross Premium - Client Discount) * Rate

(O/Commission 'G' basis)
Overriding Commission = (Gross Premium - Client Discount) * Rate

(O/Commission 'N'' basis)
Overriding Commission = (Gross Premium - Client Discount) * Rate

The Admin Fees (Policy Fees) here does not refer to the extra charge type but to that set up in the Agent Account Maintenance.

2.14 Extra Charges

In addition to the gross premium, there are other amounts charged or discounted against a policy which can be a fixed amount or the amount can vary according to the gross premium amount. Some of these charges may be due to statutory requirements such like stamp duty and good services tax (GST). Some charges are imposed by the insurance company for commercial reasons; examples are handling charges, transfer fee, discount, etc. Integral P&C allows a maximum of 7 extra charges on gross premium and RI ceded premium respectively.

The Extra Charges Applicable Table (T8790) is used to define the extra charges applicable to the direct general insurance and reinsurance/coinsurance. The Extra Charge Definition for a given extra charges is set up in the Extra Charge Calculation Rules Table (T8791) to define the applicable calculation rule, e.g., subroutines that perform the calculations or through fixed amount method or by percentage basis. The calculation method used is dependent on the type of extra charge and is usually user defined. The base system provides flexibility for the user to determine what extra charges are applicable to their policy and for which transaction types and account classes. Once the applicable extra charges are set up, the calculation is performed on-line within the Premium Posting screen (SR410) or Ceded Premium Detail screen (S8017) for every premium class attached to every risk of the policy.

2.15 Instalment Billing

Instalment billing allows the insured to conveniently pay his policy by breaking up the premium into instalments. The instalment amount will be calculated automatically at user defined interval and these instalments will appear as premium debits in the insured's statement of account.

Integral P&C supports a number of options to process the calculation of and accounting for instalment. Instalment Billing provides the facilities to:

- Allow the payer to conveniently pay his premium by instalment.
- Automatically calculate and bill these instalment when due.
- Periodically debit a payer 's bank account
- Process dishonours for those bank debits not collected.
- Premium collected on instalment is booked as revenue on 100% written basis.

The reinsurance schedule created will follow the direct instalment payment schedule and only facultative and coinsurance are allowed for payment by instalment.

2.15.1 Billing Controls

Accounting Flag
The accounting flag defines when the premium is to be recognised. In Integral P&C, the instalment billing is operated on Written Basis. That is the whole premium is booked to the general ledger revenue accounts when the policy is issued. A subsequent instalment billing will not affect revenue account in ledger. The instalment will be produced by the batch billing run called P1BILING. The accounting flag is controlled at the company level by Company Table (T1693) in company 0. It is not possible to use a different accounting flag for different branches, classes of business or other lower level.

Payment Plan
This determines the method and frequency of payments from the policy holder. It controls:

- Frequency of billing
- Number of instalments per billing
- Collection channel
- Initial payment

Once set by the user, the payment plan cannot be drastically changed, for example, from instalment billed to direct payment. The system does allow however, a change in the collection channel, say, from agent to bank.

The default payment plan for a policy or class of business can be set up so the user does not need to key in the various combinations of frequency, mode and so on when creating a new policy.

Billing Channel
The billing channel defines the party to whom bills are presented. For example, the policy payer's bank account, an agent or policy holder. The collection channel and billing channel are synonymous. Valid channels are stored in the Billing Channels Table (T3620).

Billing Frequency
The billing frequency defines how many instalments are to be billed in a year. This could only be monthly, quarterly, half-yearly or single premium. The Billing Frequencies Table (T3590) contains the valid billing frequencies.

Accounting Method
This accounting method defines whether premiums are raised on a cash or pre-debit basis. Integral P&C only supports the pre-debit basis.

Payment Plan Factor
The Payment Plan Factors Table (T8501) is a dated table where key items are the same as that in the Payment Plan Table (T3625). Each item contains the factor for setting up the default instalment payment plan during policy creation. The important factors are billing frequency, billing distribution percentages, spread extra/return flag and dissection handling number.

The number of instalments for the default plan of a policy is based on billing frequency and policy period of insurance. '00' and '01' will have a single payment. '02', '04', '12' will have respectively 2, 4, 12 instalments for a policy whose POI is one year. Frequency 12 means if there are N months of instalment left then, N instalments will be defaulted during policy creation. Example; a policy with monthly billing frequency whose POI is 9 months will have 9 instalments instead of 12.

Billing Percentage is the formula for calculating each instalment amount. Each instalment amount is the product of the respectively percentage of the premium amount for the policy whose POI is one year. If the POI is not one year, equal instalment amounts will be generated for the irregular number of instalment.

The Spread Extra/Return Flag is used during policy endorsement. If the flag is '0', the extra or return premium will be spread across all outstanding instalments. If the flag is '1', the premium will be added or subtracted to the next due instalment amount. For endorsements where effective date falls within the outstanding instalment date range and spread is chosen for the payment plan, the additional /refund premium would be apportioned equally across the remaining outstanding instalment or netted off into the next outstanding instalment depending on spread option. However, if the endorsement's effective date falls within the period where the instalment has already been billed, a new instalment dated on the effective date would be inserted. The additional /refund premium would be apportioned commencing from the effective date of the endorsement.

There are 15 dissection handling numbers in the table. Each number corresponds to the 15 dissections of the policy premium. The flag values 0 or 1 for each number determines whether the amount of each dissection is to be accumulated at first outstanding instalment amount or spread across to all the outstanding instalment amounts.

Billing Commencement Date

This is the date on which the automatic instalment billing system will take the policy into the billing cycle. When entering a new policy, this date must be an exact number of bills prior to the expiry date of the policy.

Billed To Date

This is the latest date up to which bills have been raised. The P1BILING batch job raises the bill in advance so for example in a monthly case, a bill raised on 2nd June 2012, bill for the period of 2nd June 2012 until 1st July 2012. The billed to date is 2nd July 2012. It is therefore also the date on which the next instalment falls due.

Factoring House

The factoring house is also known as Clearing House and is used by policies payable by periodic debit- via direct debit to a bank account. This identifies the party to which a magnetic tape produced during the media production is sent to. The factoring house is specified when entering bank account detail for the policyholder and therefore cannot be changed.

Mandate

A billing mandate is an authorisation from the payer to allow the bank to honour debits to his account. Normally there is a period of time allowed to permit this mandate to be cleared with the bank and the common FSU subsystem has been

provided to offer this control. The status of the mandate is controlled through the Mandate Status Codes Table (T3678).

2.15.2 Billing Cycle

During the billing process, a number of steps are required. These are described as follows:

Policy Issue
When entering the policy, the user would specify the payment plan when creating the policy header. After selecting the payment plan, it is not possible to change it. The payment plan indicates the profile of instalment to be raised during the life of the policy including payment frequency, billing channel and so on. Should a policy be defined as bank billed, then the user will also need to enter the details of the policy holder's bank account.

Billing
A batch function/job called P1BILING will be processed regularly to raise instalment bills for policies requiring it. During this process, the instalment premium will be calculated along with any commission, charges and reinsurance and all accounting transactions created for other subsystems. The Billed-To-Date is also advanced at this time and underwriting transaction records (ZTRN) are generated.

If the policy is bank billed, a pseudo cash receipt is created for the instalment and it is assumed that these periodic debits will be honoured by the bank at this stage. The billing run will output these debits into holding files, called billing media files which are used in the next step of the cycle by the media production batch function.

Media production
After the P1BILING run, the media production batch function is submitted/executed to create the actual media to be presented to the bank, group of other billing channel. Media may be computer tape, diskette, hard copy computer listing etc.

Dishonour Processing
For bank billed policies, there may be a reason for dishonour, such as insufficient funds, stop order and so on. In these cases, it is necessary to reverse the accounting transactions raised during the billing step. An online function is available to enter these dishonour transactions and create reversal.

2.15.3 Batch Processing

There are 4 main processes relating to instalment billing. These are:
- P1BILING (Polisy Instalment Billing),
- P1DDAPPLY(Direct Debit Apply),
- P1DDnn (Direct Debit Extraction and Tape Create for Factoring House nn)
- P1DISH (POLISY Batch Dishonours).

P1BILING will bill due instalment and should be run before P1DDAPPLY (Direct Debit Apply) and P1DD01 (Direct Debit Extraction and Tape Create for Factoring House 01). Both jobs should run before P1DBTPOST (Debtors Post and Reconcile) which will then marry billed instalment and bank cash records.

P1BILING is the primary billing batch job. It selects and processes policies which are due to have an instalment bill. This job should be submitted regularly for raising premium instalment bills and for creating financial transactions for reinsurance instalment if the reinsurance payment method is 'Follow premium'.

P1DDnn. This batch job processes all un-processed instalments for a particular factoring house. The amounts to be debited from the clients' accounts are transferred to the tape.

P1DISH. This batch job processes dishonoured payments collected by direct debit. Dishonours will only complete a representation and not a reversal. Dishonour processing has two stages. The first part is to register the dishonour, which is an on-line transaction; the second part is the actual processing required which takes place in this batch job.

2.16 Reinsurance Method

The most important field for the correct processing of a risk's reinsurance is the RI method. There are three valid RI methods namely:

- Automatic Treaty RI (0)
- Treaty and Facultative RI (1)
- No or Manual RI (9)

The treaty accounts and limits are controlled by the treaty arrangement. When RI method 'Automatic Treaty RI' or 'Manual RI is used, the risk level reinsurance screen will not be displayed. For 'Treaty and Facultative RI', the user can allocate a proportion of the risk to each of the facultative accounts. The cession can either be as a percentage or a fixed sum insured amount in local and foreign currency.

2.17 Policy Supplementary Information

The basic structure may be supplemented at both the policy and risk levels. At the policy level it is possible to attach a number of items such as a Despatch Address, a Payer, Direct Debit Details, Long Name, Coinsurance, Clauses, Inward RI and Clauses. At the risk level, there may be General Page(s), Interested Party(s), Declaration Schedules and others in the section of document on risks.

Each of these supplementary components is now described in detail.

2.17.1 Clauses

These screens allow users to manually enter text or references to any pre-printed clauses. The feature includes:

- Ability for users to enter text to denote references to pre-printed clauses that will be attached to the policy.
- Ability to window into Clause Table (T4997) for selection and sequencing of valid clauses.
- Ability to include specific substitution text/phrase, at the time when the clause is attached to the policy/risks.
- Ability to view clause content. The viewing of the entire clause will assist the user in recalling the content of the clause so that the appropriate phrase/text for insertion could be entered.

There are two categories of clauses; clauses applied at the risk level and clauses applied at the Policy Header aka Policy level.

2.17.1.1 Clauses at Policy Level

A facility is provided on the policy header screen for the input and storage of clauses at policy level. Policy level clauses are required for the following purposes:

- Facilitate review of common clauses during policy inquiry.
- Eliminate the need to input common clauses at each risk screen within a multi-risk or package policy.
- To avoid duplication, clauses are usually entered on the 1st risk screen or anyone designated risk. Should the affected risk be terminated, there is a need to re-input the "common" clauses into another risk. Policy level clauses eliminate this situation.

During new business or take-up, clauses can be entered for the policy. Policy clauses can also be changed and/or added during endorsement, renewal, manual review and cleanup transactions. For all underwriting transactions, users should be able to access and view existing policy clauses applicable for the processing effective date.

2.17.1.2 Clauses at Risk Level

Clauses which are to be applied to the risk are entered on the Risk Screen. These are stored in the Risk Type Table (T4697) and can be printed either in full or as clause titles only during printing of the policy schedule. A window is available to select the required clause/s.

2.17.2 Payer

Normally, the insurer will send bills and debit notes to the policy holder. In some cases, it may be necessary to send these notices to somebody else. For these cases, the Payer information will record the Name and Address of the party to whom debits are to be presented.

If the Payer is not entered, then the system will address bills to the policyholder. On the screen, the client number of the Payer should be entered. It must be different to the policyholder.

2.17.3 Periodic Debit

Sometimes, a policy holder may ask that premiums be debited directly to one of his bank account mandates. In this case, the Periodic Debit details are entered and attached at the policy header level during policy entry.

The periodic debit screen is used to attach the mandate details that will be used for instalment billing. The screen will check that the bank and the branch codes are valid, and then check that the system has the bank account details as well as the mandate number.

To use this feature, the policy should have as its payment plan, one which specifies bank billing. The Billing Channels Table (T3620) indicates whether a mandate is

required for a particular billing channel. If the client has no mandate or bank account information recorded, then this information can be added during policy entry.

2.17.4 Despatch Address

A Despatch Address should be used when policy documentation is to be despatched to a different address than that of the policy holder. The Despatch Address records data such as the Name and Address to which notices for this policy are to be directed. The Despatch Address is attached at the policy level.

2.17.5 Insured Long Name

There are situations where the name of insured requires a length longer than that allowed on the Client maintenance screen. This long name is entered in this long name entry facility. This is particularly useful for Contractors All Risk (CAR) policy that has a very long insured name.

2.17.6 General Page

The General Page is a policy level and risk level supplement which records any information which cannot be included on the header or risk screen. It is made up of free format text which can be printed on the policy schedule and form part of the policy documentation.

The General Page has two (2) sections to contain the information. The first, General Page, will be for information to be printed on the schedule. The second labelled "Reference Notes", will be for information that is for internal use. Reference Notes will not be printed on any document.

2.17.7 Coinsurance

The coinsurance agreement for a policy is set up at the policy header level. This means that all risks attached to a policy enjoy the same coinsurance arrangements. It is possible to indicate whether the company is the lead insurer or one of the followers and also the share of the risk for each co-insurer. There is no limit to the number of co-insurers in an arrangement; however the total of all shares must equal 100%.

When the company is a lead coinsurer, the system expects to have the total sum insured and the total premium entered in subsequent risk screens. A policy schedule will be produced showing these 100% figures.

If the company is a follower (Co-insurance indicator is 'F'), the system expects only the company's/insurer's share of the sum insured and premium to be entered in the risk screens. Should the coinsurance share of the company be further reinsured, the proportions reinsured will be the insurer's share – not the total.

There is a coinsurance practice of combining the lead (Co-insurance indicator is 'C') and follow coinsurance features. This "combination" encompasses issuance of the policy at the full 100% sum insured amount (printed on the document) but there is no premium billing on behalf of the coinsurer(s). The risk screen shall show the company's share of the sum insured amount as well as on the premium posting screen. No coinsurer signing slip is required.

Claims shall be reserved for the company's share only. Should there be a need to settle (say) a small claim inclusive of coinsurer's share, then this has to be recorded manually as a direct recovery from the coinsurer at the time of payment. This will not impact the claim.

Coinsurance facility is provided with percentage share captured at policy level. If a multi-risks policy has a difference in share % by risk then it will be necessary to create more than 1 policy for each specific arrangement.

Policy schedules, renewal documents and other direct documents to insured will "gross up" the sum insured and annual premium (and related charges where displayed together) for consistency. However, Premium Debit/Credit Note shows only the company's share due from the insured.

2.17.8 Assumed Reinsurance or RI Inwards

Assumed Reinsurance (RI Inward) information can be entered and stored for inquiry and printing onto policy document purposes. Details to be captured at policy level include:

- Ceding Company.
- Cedant Reference Policy Number and Cession Number.
- Original Period of Insurance.
- Original Sum Insured
- Original Annual and Gross Premium
- Our Share (%) and Amount Reinsured

Policy schedules include the printing of RI inward information on the document.

2.18 Unearned Premium Reserve (UPR)

Although insurance premiums are often paid in advance, insurers typically "earn" the premium throughout the policy term. The portion of a policy's premium that applies to the expired portion of the policy is called the policy's earned premium. The insurer must carry the unearned portion of the policy premium as a liability in case the insurer has to pay back a certain part of the original premium when the policy is cancelled.

To provide insurers flexibility, Integral P&C provides:

- A facility to allow the selection of using either the UPR calculation basis of Accounting Period or Inception Date.
- The choice of using either Policy Type or Premium Class as part of the item key in the UPR profile rules and definition in the GL Auto Earnings/Accrual table (T2899).
- The source of business can have different UPR calculation methods for different territory (i.e. local, overseas, etc).
- A varied selection of UPR calculation methods:
  - Earned by 24ths
  - Earned by 12ths
  - Earned by 365ths
  - Earned by 8ths
  - Earned by fixed (25%)
  - Earned over 75-25 ratio-Cargo
  - Fully Earned after 90 days

- Fully Earned after 30 days
- No Earning

The Company Defaults Table (T3711) includes the indicators required to initiate the above features.

3. Underwriting Functions

Integral P&C's Underwriting module provides a complete environment for the administration of policies, allowing full control over a policy at all stages of its existence. It is fully integrated with other functions/modules in Integral P&C such as Claims, General Ledger and Debtors, ensuring data integrity throughout the system

3.1 New Business

The New Business function enables the creation of new policy or conversion of a quotation or cover note into new business. The screen flow as you complete the data entry of each will provide guidance to the information required. Basically, the process will navigate through the policy header, risk creation, premium posting, and reinsurance cession. The new business can either be issued at the end of the data entry or left pending (saved) for further review or additional data input. Upon issuance, policy schedule, reinsurance application and/or coinsurance slip can be separately requested for immediate output or batch print.

The new business header captures, verifies and stores all necessary data to be stored in the policy header. Policy number will be automatically allocated and present on the policy header screen. Some defaulted values such as branch, billing currency, renewal information, etc as set up in the Policy Type Definition Table (T3681) for the policy type are displayed. The policy header screen must be completed before being allowed to proceed. On successful completion of the policy header screen, a record will be added to the policy header file and the client record for this policy holder will be updated with the policy owner role flag.

The risk screen is a mandatory screen where underwriting details specific to the particular risk are captured. Normally, only a single screen is required. These screens are common to all underwriting functions and the Switching Table (T4697) controls the risk programs numbers for each risk class. Any risk detail which the underwriter wishes to capture for statistics, statutory, schedule production must be captured on the risk screen.

The premium posting screen is common to all underwriting functions and to all classes of business. The annual premium for each premium class is passed onto this screen and various calculations will be performed.

There are three screens used to capture outward reinsurance information of the risk. During construction of a risk, all, some or none of these screens may be used depending on the requirements of the underwriters.

When the policy issue transaction is selected, the record is again validated to ensure that it is complete and conforms to the product definition. Policy issue is inhibited if the record does not pass the validations. When the policy is issued, the system submits a job to do the necessary updates and generate the documents. Once it has completed all the necessary processing the policy is set to In Force. The subsequent collection of premiums and commission payments will be subject to the rules and processing relevant to that policy type.

The policy issue transaction also initiates the printing of the schedules and accompanying documentation as defined by the company.

Throughout the whole process of creating new business and amendment there is full windowing facility to view and create clients and view tables for code checking. In addition to this, HELP information either on individual fields or general areas is available.

Options are provided to convert cover notes and quotation that have been entered into the system via the Cover Note and Quotation subsystems. Also available is a Deletion facility to enable authorised users to delete a pending policy whether the policy header details or more details have been completed. After deletion, the policy number used by the deleted policy shall be returned to Automatic Numbering system to be used by another New Business transaction. In other words, the "Delete Unissued Policy" shall physically remove the policy and related records from the system. The deleted policy will be recorded in the Policy Deletion File (PDEL) for audit purpose.

3.1.1 Risk Screens

The main part of any general insurance policy is/are the risks included in the cover. Being so fundamental, the ease of risk administration becomes a major factor in judging the system's value to the insurance company.

The Risk screens have been designed in the same style as all other Underwriting screens. It is possible to enter, save and/or change risk information in any order until the policy is issued. Even after policy issuance, amendments can be easily made using Endorsements.

Unlike most Underwriting transaction screens, the same risk screens are used for all Underwriting functions. Before progressing to the next screen, all mandatory details must be entered.

3.1.2 Posted Premium Summary and Premium Posting Screens

This screen is displayed when the risk details have been entered at the risk screen. This screen is used to record premium posting and agents commission details for every premium class attached to every risk on the policy.

3.1.3 Risk R/I Treaty Details

This is the first of the RI screens used for capturing reinsurance information. It is displayed after completing the premium posting screen and is dependent on the RI Method selected during risk creation.

In this Risk RI Treaty Details screen, the sum insured from the risk screen is displayed in both original and ledger currency amounts and the user can select the amount to be retained and the cessions to be made to the treaties applicable. The treaties applicable to the arrangement covering the risk/premium class are automatically retrieved and displayed from details previously set up in the Reinsurance subsystem.

The R/I Ceding Basis is mandatory. The amounts retained/ceded can be expressed as a Percentage of the Sum Insured; as a proportion of the Sum Insured in Ledger Currency Terms; or as a proportion of the Sum Insured in Original Currency terms.

If Facultative Proportional reinsurance is required, the percentage/amount should be entered and the system will then switch to the Facultative Proportional details screen. It should be noted that if the percentage/amount to be reinsured on a treaty basis PLUS any amount covered under a Facultative Excess of Loss basis is less than the total Sum Insured, the remainder will automatically be allocated to Facultative Proportional R/I.

If Facultative XOL reinsurance is required, the amounts to be reinsured should be entered, along with the premium. It should be noted that Facultative XOL reinsurance cannot be applied where the ceding basis is 'Percentage of Sum Insured'.

3.1.4 Risk R/I - FAC Proportional

This screen follows the risk R/I Treaty Details screen where Facultative Proportional reinsurance has been entered. Facultative reinsurer details are entered here along with the proportion of the reinsurance to be allocated. The Totals are balanced against totals carried through from the Treaty Details screen. The total percentage and amount to be reinsured on this basis is shown on the Fac RI Summary tab. The facultative reinsurance details are to be entered in the tab labeled By Reinsurer.

Standard window facilities are available for the selection of Facultative reinsurers (at Account filed) and scroll facilities are available to enable multiple reinsurers to be entered.

To amend a reinsurer, simply clear the account number previously entered and replace this with the new account number. If this type of reinsurance is no longer required, then the facultative reinsurer account must be removed from the Treaty Details screen and the amounts for the other reinsurers amended accordingly.

3.1.5 Risk R/I - Fac XOL

This screen records details of Facultative Excess of Loss (XOL) R/I details applicable to this particular policy. Excess of Loss details are initially recorded on the Treaty Details screen.

The XOL screen provides fields to record Fac XOL premium, Deductible Amounts and Upper Limit Amounts for each account entered. Before processing can continue, the whole Fac XOL premium amount, as entered on the Treaty Details screen must be allocated against Fac XOL reinsurance accounts. Standard window facilities are available for the selection of Facultative reinsurers (at Account filed) and scroll facilities are available to enable multiple reinsurers to be entered.

3.1.6 Work with Premium Instalments

This screen is accessed when the Instalments option is selected on the Work with Policy screen, and is only applicable when the Payment Plan entered on the Policy Header indicates instalment billing.

The due date, amount, status and method of payment of each instalment is displayed. Information held in the Payment Plan Factors Table (T8501) is used in the calculation of the instalment amounts.

The user may overwrite the due date, the amount and the method of payment for any instalment which is Outstanding (not yet billed). Any such manual entries are validated against the information in the Payment Plan Factors Table (T8501) for the policy Payment Plan.

An imbalance amount is displayed if the total of all the instalments does not equal the total premium charged to date. For processing to proceed, the imbalance must be rectified.

3.1.7 Reinsurance Instalment Summary

This screen is accessed when the R/I Instalments option is selected on the Work With Policy screen. The screen summarises the reinsurance account instalment for all the reinsurance accounts for the policy.

The method of payment applicable to the reinsurer is determined by the reinsurer type. Accounts with a 'No Instalments' Payment Method will contain no instalment details as they must be settled in a single payment.

Accounts with a 'Follow Premium' Payment Method can be selected in order to display the reinsurance account instalment details on the Work with Reinsurance Instalments screen. The due date, amount, status and method of payment of each instalment is displayed. The amount of movement on each instalment during the latest premium transaction is also displayed in the Payment this Transaction field. Details are displayed for information only and cannot be amended from this screen.

3.1.8 Policy Issue Screen

This screen is accessed via the 'Work With' screen when action 'Issue' is selected. This screen is used to issue the policy. Selected information which have been entered in previous screens are displayed along with any validation errors found.

Several options may also appear in this screen, allowing the user to select which processes to be invoked or documents to be printed.

3.1.9 Policy Schedule

Depending on the policy type, either policy schedule or certificate document is produced for each policy issued. Integral P&C incorporates the ability to produce schedule documents, Reinsurance application and coinsurance singing slips either online or in batch mode. The format of these documents is highly company dependent but a sample of each type is available for user to view and decide whether to adopt them or customise to their requirements.

3.2 Endorsement

Once a policy has been issued, it is not reasonable to expect that the details for that policy will never change. Circumstances may require that one or more details be altered to ensure that the policy remains accurate. For example, a client may have a policy which covers fire insurance of a house. The client decides to take out a mortgage on the house and receives a loan from a building society. The policy must be changed to include the building society as an interested party.

The Endorsement function is used when a change in the policy details is required during the term of cover. An endorsement can be financial or non-financial and it is always processed with an effective date. Financial endorsements such as a change in coverage details or risk termination may result in additional premium or return premium depending on the nature of change in conjunction with the premium already billed. Sometimes, a statistical change in, say, a typing error in the text or omission may not affect the premium calculation. Back-dated endorsement or out of sequence endorsement can also be processed if needed.

Every update action on an endorsement will cause an audit record to be written to a batch. Similarly, at issue time financial transactions will be written to a batch. It is important to remember that a policy can only have one pending endorsement at any one time. It cannot have an endorsement if there is a pending renewal or when the policy's renewal status is

- Awaiting Renewal (AR)
- Review Required (RR)
- Manually Reviewed (MR)
- First Reminder Done (FR) or
- Second Reminder Done (SR).

The Endorsements subsystem has been developed in the same way as the New Business subsystems. It provides consistency of format and lessens the familiarisation required by users for the entry of endorsement details. Following discussions will describe those functions which are specific to the Endorsement subsystem only.

3.2.1 Common Types of Endorsement

The system allows 3 types of endorsements:

- **Additional Premium Endorsement (A/P**). This is where a change in the cover details causes more premiums to be due.
- **Return Premium Endorsement (R/P).** This is where a change in the cover details causes a refund to be due.
- **Zero Premium Endorsement**. This is where a change is required that causes no premium to be charged or refunded.

Only one type can be used per risk per endorsement. All three types however, can be used during the same endorsement, depending upon how many risks are endorsed. Since the system will always maintain historical data, the user should understand how Integral P&C uses the effective date in maintaining its underwriting information.

Endorsements are always made as at an effective date. The user must input the effective date, before starting the endorsement function. The effective date cannot be altered during the course of the endorsement. So if the user has 2 changes that attach at different effective dates, then 2 separate endorsements must be made.

The order in which endorsements are applied to the policy is very important. Normally the system assumes that endorsements will be applied in effective date order:

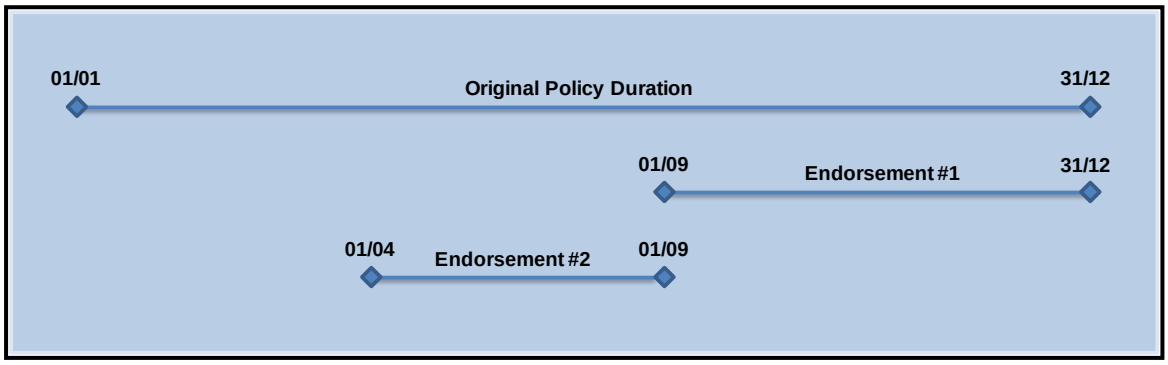
Endorsement Number	Effective Date	Reason for Endorsement
00001	01/01/2012	New Policy
00002	01/05/2012	Increase Sum insured

Endorsement Number	Effective Date	Reason for Endorsement
00003	07/07/2012	Extension of period of insurance

The system also supports endorsements entered out of logical sequence and multiple endorsements entered on the same effective date. In Integral P&C, we call these Back Dated and Same Day endorsements respectively.

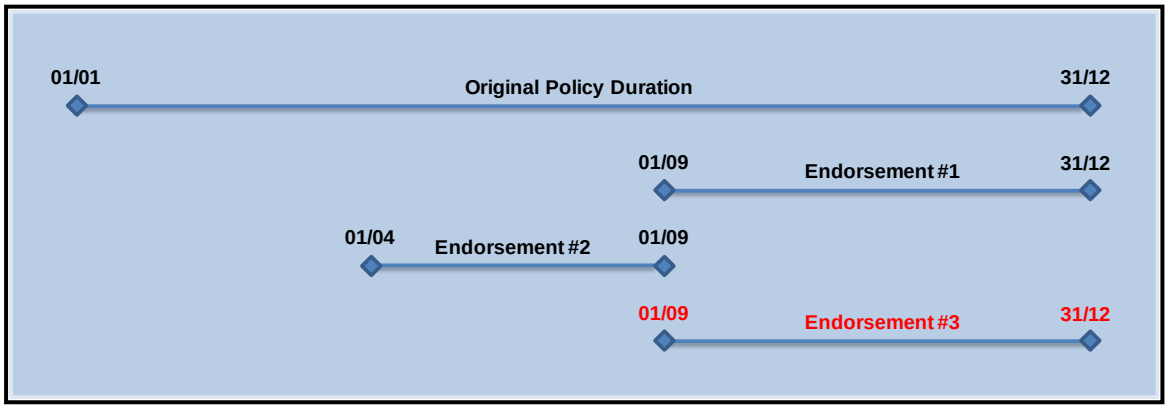
3.2.2 Back Dated Endorsement

If endorsements are applied out of logical sequence, also known as back dated, the system will still accept them. The results however, may not be what the user expects. This is because of the way the system keeps policy detail history. For example:



The first endorsement is made effective 1st of September and will be in effect until expiry on the 1st of January. The second endorsement is made effective 1st of April and will be in effect until expiry on the 1st of September.

If the user's intention is for the second endorsement to flow through to expiry, then the system requires a third endorsement, to amend the details from 1st of September (ie., the first endorsement). For example:



If this is the case, the user will have to override the system calculated premium on endorsement #2, calculating the appropriate premium for April through to expiry. The third endorsement is required to make the risk details as at September match those effective from April. The automatic premium calculation has to be suppressed for the third endorsement since the premium for this period has already been raised during the second endorsement.

The user can easily tell if they are in a back dated situation by seeing if the risk termination date is set on the risk screen during the second endorsement. This termination date will always be blank if there are no future endorsements.

3.2.3 Same Day Endorsement

When several endorsements are entered on the same effective date, Integral P&C considers these as same day endorsements. When endorsements of this kind are performed, the system keeps track of both the previous and latest information by using the Transaction Number. Hence, it is possible to see the various versions of the risk that applied during that day through the standard inquiry.

The posted premium and associated information is kept separate for each and every endorsement made to the policy. In this way, full minute by minute history is maintained.

3.2.4 Risk Termination

During Endorsement, the user will usually change risk details, in line with instructions received from the policyholder. If the policy has multiple risks, the policyholder may ask for one or more of the risks to be terminated, while some other risk/s may continue to be in force. To do this we use the Endorsement function not Cancellation.

The user will perform the endorsement on the effective date of the termination of the risk. When the user arrives at the risk screen, they should enter the effective date in the termination date area. This tells the system that the risk is terminated. The termination date should be equal to the effective date although it will be accepted if termination date is prior to effective date. Subsequent endorsement on the terminated risk is allowed if the effective date of endorsement is less than or equal to the termination date.

If the termination date is already been set, then do not attempt to change it unless the endorsement is still pending.

The system will calculate the return premium based on the risk details displayed on the screen, so the user should not change details during this process. This type of endorsement is valid, only if this is the latest version of the risk and should not be done during the back dated endorsement.

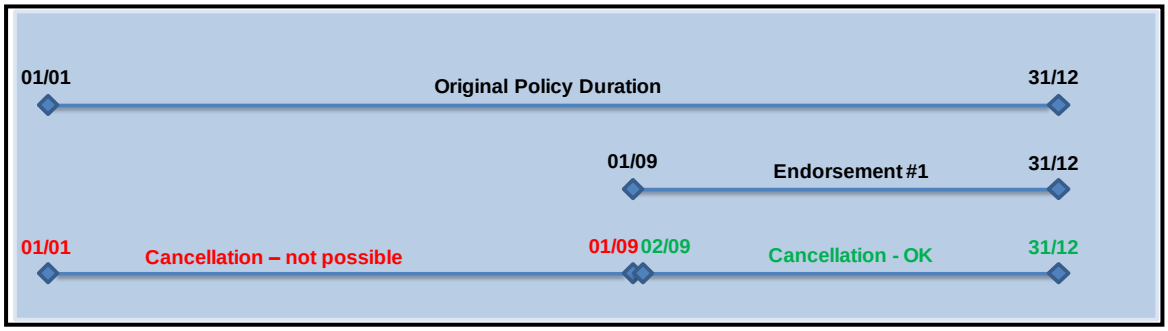
The user should enter a termination date only when a risk is being ‘detached’ from a policy. It should not, for example, be filled in when policy is being cancelled.

3.3 Cancellation

Policies with the insurance company may be cancelled for many reasons. For example, a client has a motor insurance policy and decides to sell the vehicle. There is, therefore, no need to continue the insurance and the client cancels the policy.

The Cancellation function is used when the whole policy is to be cancelled. This can occur at any point during the policy term. Again, the user must enter the date from when the cancellation is to be effective. A policy can only be cancelled if there are no outstanding endorsements or renewals. This is to ensure the integrity of the policy and avoids conflicts in the status of the policy. The cancellation date is selected on the

submenu and must be within the inception and renewal dates. Cancellations however cannot be backdated. That is, a cancellation can only be made effective on the latest policy details. For example:



In this example, the policy is endorsed on the first of September, so cancellation is only possible after the effective date of endorsement. Similarly, once the policy is renewed, it is not possible to cancel before the date of renewal.

The cancellation function differs slightly from the others, in that it is not possible to leave a cancellation in a pending state. In other words, the cancellation must either be completed or abandoned before the user is allowed to exit the policy details.

During a cancellation, the system requires the user to visit every live risk attached to the policy at the time of cancellation. This is to ensure return premium is computed correctly. As the user passes through the policy details, they will find almost all details are protected (not available for modification), except those directly involved with premium calculation.

On the Policy Header, the user must enter the reason for the cancellation of the policy, similar to endorsement. These codes are used for subsequent analysis.

3.3.1 Cancelling Policies on Instalments

When an instalment policy is cancelled, the refund premium is subjected to the spreading rule as set up in the Payment Plan Factors Table (T8501). Depending on the cancellation date, the premium may be refunded to the insured over more one than one instalment. The unbilled PINS records remains to be collected.

Another option is to consolidate the net amount to be refunded/collected from the insured, when the instalment policy is cancelled. This is done by taking into account the total billed and unbilled premium to derive the final figure.

3.4 Reinstatement

When a policy has been cancelled, it should be possible to reinstate if and when the client or the underwriters deem necessary. All the information regarding the cancelled policy is still available in the system although the status of the policy is cancelled.

Integral P&C provides a Reinstatement function to revive the details of the cancelled policy which were retained in the system. In all other aspects, the Reinstatement function operates in the same way as the Endorsement function. This lessens the familiarisation required from users and ensures a consistency of data entry formats

and requirements. The 'old' policy number is automatically retained to ensure consistency of information regarding the policy. Only the status of the policy is reversed to 'In Force'.

Just like cancellation, it is not possible to leave a reinstatement in a pending state. In other words, the reinstatement transaction must either be completed or abandoned before the user is allowed to exit the policy details.

During a reinstatement, the system requires the user to visit every live risk attached to the policy at the time of reinstatement to ensure premium is computed correctly. As the user passes through the policy details, they will find almost all details are protected (not available for modification), except those directly involved with premium calculation.

3.5 Take up

When a new system is introduced to a company, there must be some method of transferring the information from the existing system to the new system. Most of the information would be transferred using an automated process, but it may be necessary to add some details manually. For example, a policy is added to the old system after the automated transfer has been done. It would not be feasible to reprocess all the details just to capture one extra policy, hence, this transaction of manually adding existing information to the new system.

Integral P&C provides a Policy Take-up subsystem so that details may be taken from the old system to the new. Financial details are not reflected on the General Ledger as these have already been captured in the old system. In all other aspects, this subsystem operates in the same way as the New Policy subsystem to lessen the familiarisation required from users and ensures a consistency of data entry formats and requirements.

Policy numbers may be assigned manually, but they must fall within the range specified for the policy type. This is to ensure integrity with the automatic numbering facility. Automatic number ranges are defined in the Auto Number Allocation Table (T3642) and there must be an entry for all valid policy types in the Policy Type Table (T3681).

In keeping with the other subsystems, the mandatory details for the policy are entered first, followed by the optional details entered via the 'Work With' screen. Premium Posting, Reinsurance, General Page, Interested Party and Declaration Schedule are accessed via the Risk.

In this subsystem the policy must be issued when it is created. There is no 'save' function. If the policy is not to be issued, the details must be cancelled

Policies added to the system using this facility are batched for audit control purposes. These policies may be reviewed using the on-line batch control block facility which is invoked from the submenu.

3.6 NCD Request and Confirmation

In Integral P&C, the processing of No Claim Discount (NCD) Request and Confirmation is provided through a combination of online and batch functions. All functionality of NCD Request and Confirmation are extended to all motor products.

3.6.1 NCD Request Functions

The NCD request involves some online and batch functions starting from the Request Letters printing to the generation of report for follow up on outstanding requests, and finally update of records when confirmation is received from the other insurer. Option is provided for users to indicate if the NCD stated on the reply matches that on the policy.

The NCD Request functions provided are as follows:-

- NCD Request Letter Printing
- NCB Request Online Update
- NCB Request Online Inquiry
- NCB Request Batch Printing

3.6.2 NCD Request Letter Printing

The NCD Request Letter is to be printed for New Business during policy issuance if requested. This letter is to be sent to the insured's previous insurer for confirmation of the insured's NCD entitlement. The following options are provided for NCD Request Letter printing:

- Immediate. The letter will be printed on-line immediately upon policy issuance.
- Batch. The letter is not printed immediately upon policy issuance but later via batch printing.
- Not Required. The letter is not required and will be excluded from the NCD Request processes.

The NCD Request Letter Issue screen is prompted automatically after the New Business Policy Issuance Screen. It allows the different risks to be selected.

Once selected, the NCD Request Letter Printing screen is displayed regardless whether the letter is to be printed immediately or batch. The NCD Request Letter Printing screen requires users to enter the previous insurer's details for the letter.

3.6.3 NCD Request Batch Printing

A Batch Printing Schedule P1NCDRQPRT (batch job) is introduced to allow printing of the NCD Request batch reports. Upon submission of this batch job & depending on the Parameter selection, the following type of reports may be generated.

- NCD Request Letters on batch basis
- Outstanding NCD Request Report
- NCD Not Match Report

3.6.4 NCD Request Update

The NCD Request Update screen is provided via the NCD Request submenu. This screen is displayed if the Key Option specified in the submenu is by Insurer, Insured, Vehicle Number or Policy Number.

Users would be able to indicate if the NCD on reply matches that on the policy by specifying 'Y' or 'N'. Both replies mean that confirmation has already been received. A 'Y' suggests that NCD matches while 'N' signifies the NCD does not match.

This online function facilitates the tracking of NCD Request Letter so that follow-up actions can be taken where confirmations have yet to be received from the other insurers. Thus, when confirmation is received from the insured's previous insurer, users can verify online through this function to update the system records and to indicate if the NCD on the reply matches that on the policy.

As long as a reply is received and updated into the system, the record will not be printed in the Outstanding NCD Requests report. However, if the NCD does not match, an exception report is provided for Motor Department to proceed with further action.

3.6.5 NCD Request Inquiry

This function allows inquiry on the detailed information of the NCD Request. The NCD Request Inquiry Screen is provided via the NCD Request Submenu. This screen is displayed if the Key Option specified in the submenu is by Insurer, Insured, Vehicle Number or Policy Number.

To maintain consistency and accuracy of statistics, users should be disallowed to print the NCD Confirmation letter through the Document Reprint Submenu. This control can be enforced by not sanctioning users to the printing of NCD Confirmation letter via Reprint Submenu option.

3.7 Marine Open Cover

Definition of the terms used in the brief discussion below.

Master Policy
- Refers to Marine Open Cover and Master Policy

Declaration Policy
- Refers to sendings, certificates and declarations.
- It is not the Stock Declaration policy.

Standard Policy
- Normal policy which is neither Master Policy nor Declaration Policy.

3.7.1 Marine Open Cover (MOC) Defaults

Each MOC can have multiple sets of defaults, depending on the combination of the following factors:
- Effective Date,
- 'To' Port Group,
- Commodity Group,
- 'From Port Group,
- Packing Code and
- Shipment code.

Subsequently when a Cargo Risk is created and attached to this Open Cover, the default values should be retrieved (based on sailing date) and refreshed on the risk screen. The default values include Marine Rate, War Rate, Duty Rate, clause code, Agent commission and minimum premium. The default rates will only be defaulted on screen if the rating flag is 'Automatic'.

If specified in the MOC, facultative reinsurers will also be defaulted for the risk attached to the open cover.

3.7.2 Amend Marine Pol. Voyage

It is not unusual that the Voyage Number is not available during the registration of the Marine Cargo Policy and a dummy voyage number is used. The dummy voyage number is then subsequently replaced when the actual voyage number is available. The Marine Voyage Amendment provides the facility to modify the Voyage number without having to pass an endorsement.

All fields other than the Voyage Number on the Marine Cargo screen will be protected. The other screens associated with Marine Cargo risk screen such as the Premium Posting and reinsurance screens will be strictly in the Enquiry mode. Navigation from the Work With Policy to the Policy Header Enquiry screen is also allowed.

Every update action on a policy will not have any audit record written.

3.8 Premium Journal

Premium Journals enables the posting of gross premium journals for a policy. Multiple dissections by premium class within risk may be processed, so that only one journal is posted regardless of the number of risks and premium classes associated with a policy.

Reinsurance Premium Journals allow the posting of R/I premium journals for a policy. Multiple dissections by reinsurer account for a premium class within a risk may be processed, so that only one journal is posted regardless of the number of risks, premium classes and reinsurers associated with a policy.

An enquiry facility is provided which scrolls on all premium journals for a nominated policy. These may be selected for further enquiry showing the details of the journal dissections. The enquiry is available for both journal types.

All journal transactions are batched, ensuring a full audit trail for the policy.

3.9 Document Reprint

The on-line print request enables the user to request a further copy of a document. This may be that the original was lost; the printing quality is poor or other reasons that someone requires an extra copy.

Integral P&C provides the document reprinting facility for the reasons mentioned. The document reprinting is initiated on-line and the following documents can be reprinted:

- Policy Schedule
- Cover Note
- R/I Application
- Endorsement Note
- Certificate of Insurance
- NCD Letter
- Renewal Letter (Renewal Notice)
- Coinsurer Signing Slip

3.10 Client Portfolio Transfer

The Client Portfolio Transfer Function is used to transfer policies and cover notes with or without outstanding debits, between policyholders. This can be done, either on a policy by policy basis or in bulk.

To do a transfer, the user must select the client number of the policy holder from which the policies / cover notes are to be transferred, and the client number of the policyholder to which the policies are to be transferred. The effective date of the transfer must also be entered. The user must then select the type of transfer, either in bulk, or nominated policy.

3.10.1 Selected Transfer

To do this kind of transfer, the user enters option for 'Scroll & Select Policies and Cover Notes' on the Client Portfolio Transfer submenu. The system will then display a scroll screen, listing all the policies held by the client as at the effective date. Details for each scroll item are:

- Policy number
- Policy type
- Inception and Expiry date
- Lead Agent number
- Policy status
- Outstanding premium amount (from debtors)

The user starts selecting the individual policies to be transferred and select the type of transfer. Two (2) types of transfer are supported:

- Transfer Policy and Outstanding Debts
- Transfer Policy Only

Regardless of which option is selected, the policy will be transferred to the new policyholder. If the policy is transferred using the outstanding debts option, then any premium that is outstanding for the policy on the statement of account, will be transferred to the new policy holder's client number. Filter by policy type, inception date, and expiry date are provided.

3.10.2 Bulk Transfer

The bulk transfer option will only allow the user to transfer all eligible Policies either with or without their outstanding debtor amounts. The bulk transfer passes the 'From Client' number and the 'To Client' number and the effective date of the transfer must also be entered.

3.11 Agent Portfolio Transfer

The Agent portfolio Transfer function is used to transfer policies and cover notes with or without outstanding debits, between agents. This can be done, either on a policy by policy basis, or in bulk. This Agent Portfolio Transfer is similar in functionality to Client Portfolio Transfer.

3.11.1 Selected Transfer

The scroll selection option allows the user to select individual policies for transferring between agents. The user can decide whether to transfer the policy with or without outstanding debtor amounts. When a valid policy is selected, the system will place a 'LOCK' on the policy, until the Agent Policies Conversion (FGAGTTR) module has finished the transfers for that policy.

3.11.2 Bulk Transfer

The bulk transfer option will only allow the user to transfer all valid policies, either with or without their outstanding debtor amounts. Valid policies are those with a status code of IF or CN. For bulk transfers, Integral P&C passes the From Agent and company and the To Agent and company with the debtors flag to the Agent Portfolio Transfer (FGAGBTR) module. The FGAGBTR module selects the valid policies and cover notes and passes these to the FGAGTTR module. The FGAGTTR module transfers the valid policies, reverses the outstanding debtor entries for the 'From Agent' and creates an entry of the same amount for the 'To Agent'.

3.12 Declaration Policy

A Declaration Policy is one where an initial estimate of premium is calculated based on the maximum value of insured property which will occur during the policy period. The insured pays a percentage of this premium as a deposit premium which will be adjusted at the end of the policy period, based on the actual values declared at predetermined intervals, e.g., monthly, etc.

During New Business, the user specifies the policy is a declaration Policy (i.e. Attention flag at Policy Header is 'Declaration Required', 'Declaration and Manual Review Required' or 'Renewed with Declaration Required') and is presented with a schedule to be completed of the expected declarations.

The adjustments to the policy and premium transactions are to be carried out under the declaration adjustment subsystem. This function allows the user to amend the schedule and to record the actual declaration details as they are received.

3.13 Declaration Adjustments

A Declaration Adjustment occurs when the result of the Total of Declaration divided by the number of declarations applied to the rate produces a premium greater or less than the original premium paid.

The declaration Adjustment subsystem allows the user to review a policy and its schedule of declarations, and then amend the Risk details to accurately reflect the sum insured.

Having made the Adjustment, normal reinsurance and premium posting functions are used to pick up the new premium figures and the user then issues the adjustment.

Batch Functions

There are two reports provided with relation to Declarations:

- Declaration Summary Report
- Declaration Reminder report

3.13.1 Declaration Summary Report (P1DECSUMR)

The batch job P1DECSUMR will read the Marine Cargo file and lists all marine cargo policies with declaration. The batch job can be run as and when required or in overnight run. The Declaration Summary Report will only be produced if two conditions are met, i.e. the record selected is a declaration policy and that risk attachment date falls within the accounting month submitted at the Batch Job Schedule Submission Submenu.

3.13.2 Declaration Reminders Printing (P1DECRMDR)

The Declaration Reminder printing is a facility to produce reminder notices for declaration policies that have outstanding declarations. This batch job extracts the declaration record with no declaration date and declaration date of the record is less than or equal to the actual run date. It produces the declaration reminder to the insured with list of policies with outstanding declaration. The batch job can be run as and when required or in overnight run.

3.14 Renewals

The renewal of a policy may involve a number of steps as part of preparations for renewal. The Renewals system provides an efficient framework for the processing of expiring policies, prepares them for invitation to renew and finally either renews or lapses the policy. This is done through a combination of batch and on-line functions to automatically control the renewal of policies.

3.14.1 Renewal Controls

Different types of policies may enjoy different renewal cycles. For example, some policies are never renewed – Marine Cargo and Personal Accident Travel. Some policies have risk information indexed and re-rated – Motor Vehicle. So, the user may select during policy entry what kind of renewal process should be carried out during the renewal cycle. This is controlled by the fields called Renewal Control Flags.

The relevant system flags are:

- Policy Status
- Special Attention
- Notice Type
- Notice To
- Renewal Type
- Re-rate Flag
- Payment Plan
- Duration

These flags allow a great degree of user control over the activities of a policy within the renewal cycle. Certain combinations of these flags are invalid and these theoretically should be prevented by the editing within the on-line transaction that created the policy. In most instances, additional validation against invalid

combinations will take place during the extract phase, and errors will be reported as required.

Policy Status

The policy status is maintained to indicate the position of a policy within the renewal cycle. This, together with expiry date, represents the primary criteria for extraction of a policy to any of the renewal run types. Upon completion of each critical phase within the renewal cycle, the policy status is updated to indicate completion of that stage and to mark its eligibility for inclusion in subsequent steps.

The policy status codes are defined in the Policy Status Table (T3623). At the time of writing, the codes relevant to renewals are:

- IF In-Force Policy
- PR Pending Renewal
- RR Review Required
- MR Manually Reviewed
- AR Awaiting Renewal
- FR First Reminder Done
- SR Second Reminder Done

Renewal Type

The Renewal Type flag governs a policy's initial eligibility for inclusion in the renewal cycle. If the flag indicates that a particular policy is in fact renewable, then it is also used to determine when within the renewal cycle the policy is renewed and the renewal premium posted.

The Renewal Type flag is controlled by the Renewal Types Table (T4629) and can have the following values:

- 01 Produce Expiry - O/L Renewal
- 02 Non-renewable.
- 03 Auto-Renewable 4.00pm Expiry
- 05 Auto-Renewal 4.00pm Expiry
- M1 Midnight Renewals
- M3 Auto-Renewable Midnight Expiry
- M5 Auto-Renewal Midnight Expiry

Special Attention

The Special Attention flag also referred to as the Renewal flag, indicates what manual attention is required for a policy prior to the production of an expiry notice or a renewal certificate.

The Special Attention Flag is controlled by the Renewal Special Attention Flags Table (T4628) and can have the following values:

- 00 No special attention required.
  These policies can pass straight through the renewals system with no manual review of the risk detail or contents.
- 01 Manual review required.
  These policies will appear on the policies for manual review report and must be manually verified or reviewed prior to further inclusion in the renewal cycle.
- 02 Declaration required.
  These policies require the presentation of a declaration prior to renewal.

- 03 Declaration and manual review required.
  These policies will appear on the policies for manual review report and must be manually verified or reviewed and presented with a declaration prior to further inclusion in the renewal cycle.
- 04 Renewed but declaration still outstanding.
  The onus will be on the user to set this value once a decision is made to renew the policy before the declaration has been received. When the declaration is received, an endorsement must be processed to reset the field to 'Declaration Required' (02) or 'Declaration and Manual Review Required' (03).

Re-Rate Flag

The rating flag 'Automatic' or 'Manual' on the risk screen indicates whether the risk should be automatically rated or manually rated. The 'Flat' rating flag is used for Flat rating. This means the risk has the same mechanism as manual rating at the online risk screen processing but undergoes automatic review like rate flag 'Automatic' during batch renewal. A manually computed flat premium rate input during New Business will be used for subsequent renewal not requiring further manual review or re-rating. Thus the same risk type used in different product can have different risk rating flag without interfering with the re-rating rule for each product.

The method of re-rating for each risk class will be stored at risk class level in the Risk Type Table (T4677). Valid re-rate methods are:

- Method 1. The Gross Premium retrieved from the Annual Premium entry on the premium posting screen. Stamp duty, insured discount, commission and other statutory charges will be calculated automatically as in the on-line premium posting program.
- Method 2. The Gross Premium will be rated and calculated automatically as in the on-line schedule program for the given risk class. Stamp duty, insured discount, commission and other statutory charges will be calculated automatically as in the on-line premium posting programs.
- Method 3. Gross Premium, stamp duty, insured discount and other statutory charges will be retrieved from the Annual Premium entry on the premium posting screen. Agent commission will be calculated automatically as in the on-line premium posting program.
- Blank. No rate method defined, manual rerate expected.

Notice To

This code is reserved for future use. It currently has no effect on renewals processing. The valid codes are stored in the Renewal Notices To Table (T4625).

Notice Type

The Notice Type Flag controls the production of expiry notices, reminder notices, and renewal certificates within the renewal cycle. It dictates whether or not the form in question should be produced and if so, what premium details (if any) are to be printed on it.

The Renewal Notice Types Table (T4626) controls valid Notice Types. The Notice Type flag can have the following values:

Flag	Description	Expiry Notice	Reminder Notice	Renewal Certificate
01	Renewal cert. with prem	N/A	N/A	Premium
02	Renewal cert. with prem & comm	N/A	N/A	Prem & Comm
03	Expiry notice with prem.	Premium	N/A	N/A
04	Expiry/rmnder notice with prem	Premium	Premium	N/A
05	Expry/Rmndr/Cert. with prem	Premium	Premium	Premium
06	Expiry/Rmndr with no prem	No Premium	No Premium	N/A
07	Expry/Rmndr no prem, Cert prem	No Premium	No Premium	Premium
08	Expry no prem, Cert. prem	No Premium	N/A	Premium
09	Expiry Notice/Cert. with prem.	Premium	N/A	Premium
10	Expry/Rmndr/Cert prem & comm	Prem & Comm	Prem & Comm	Prem & Comm
11	No notices produced	N/A	N/A	N/A

Only one format of Expiry Notice with premium details is available in the base system.

Payment Plan

The Payment Plan specifies whether the policy is to be billed in instalments or other payment arrangement. An instalment billed policy must have the Billed To date equal to the Expiry date before it is eligible for renewal. That is, the policy cannot be renewed until it has been fully billed.

Duration

The Duration specifies the renewal duration of a policy. The Renewal Duration Table (T4627) controls the valid renewal durations supported by the system. This period may be 12 months, 6 months or whatever. The system will add the duration to the expiry date to determine the next expiry date for a policy.

3.14.2 Renewal Code Cross Check

For different classes of business, only certain combinations of the above described control codes are meaningful. For example, marine cargo policies are not normally renewed. Workmen Compensation usually requires a declaration during renewal.

The Renewal Information Table (T4695) controls the valid combinations for a policy type. The routine call CHXCHEK uses this table to return default values on to the policy header during data entry. The user may then alter these values and the table will again be used to ensure that the codes entered on the screen are appropriate for the class of business.

3.14.3 Portfolio Quality Review (PQR)

Integral P&C renewal processing is designed to support this function through the underwriting rule check routine. The Manual Review (B4196) and Advance Renewal (B4196) processes are able to execute the underwriting rules check if these routines are set up in the Policy Types table (T3681).

These rules are routines that must be written and customised as desired. Depending on the result of the check, the policy status could be flagged as 'QR' Quality Review or 'RR' Review Required. For Advance Renewal where the result of the check is good, the policy would be processed as per normal and flagged as 'AR' Advanced Renewal. If it fails the check, it will be flagged as 'QR' Quality Review to indicate

bad policy/manual rating is compulsory. New reports such as 'Claims Exceeding X$' and "List of Policies due for PQR Manual Review' are produced during batch renewal from the results of the underwriting rule check.

The Underwriting Check rule routines are not delivered as part of the base Integral P&C given the insurance company may or may not want this incorporated in the renewal process. As such, the renewal process was discussed without the PQR process.

3.14.4 Renewals Processing Defaults

The renewal cycle is made up of several phases. Each phase of the process is run at a pre-determined time frame and this timing is controlled by the Renewals Parameter Table (T4640).

When requesting the batch renewals system function, the user will be asked to enter a number of dates and so on to be used during subsequent extraction. It can be tedious to set up these dates manually every time, so this table can be used to pre-set some information such as the number of days in advance the manual review report should be printed.

When requesting the batch renewal job, by clicking Refresh, this table will be accessed and the system will automatically calculate all the dates and display them to the user. T his will greatly reduce errors when processing renewals.

3.14.5 Renewal cycle

This section describes the concept of the renewal cycle. At different insurance companies there are extra requirements which tend to complicate these cycles. It can be difficult then to understand every combination of reports and policy status change. T he most effective way to learn these cycles is to start with some simple examples and introduce complexity at a later stage. That is how this section is organised.

It introduces some fairly simple cases to illustrate how the majority of policies are normally processed. The changes of policy status called transitions are important to understand. To assist we present what are called Transition Diagrams.

The other point to understand at this stage is that the timing for each step in cycle is defined by the user. The timings shown in these examples are for illustration purposes only. They indicate a number of weeks relative to the expiry date of the policy. For example Week 6 means six weeks before expiry. Week + 2 means two weeks after expiry.

3.14.5.1 Basic Automatic Renewal Cycle

Week 6 – Advance Renewal Report

The In Force (IF) policy, will be extracted from the database, and automatically reviewed and re-rated. This information will be printed on the Advanced Renewal List Report (B4196) showing the new premium and any claims which may have been raised during the year.

This report would be given to the underwriting department, or the broker or the agent, to encourage that person to review the policy, risk or premium if required. Note that this is a reporting step only and the policy will not be updated by the system.

Week 4 – Expiry Notice Production

The same policy will be extracted, and automatically reviewed in the same way as was done at week 6. An expiry notice print request is made and the policy information is updated in the database. The policy status is changed to Awaiting Renewal (AR), the new no claim bonus is updated in the risk file and the newly calculated premium is added to the database.

The system will then produce the expiry notice for despatch to the policyholder. In the base system, the expiry notice looks like a policy schedule; however the format of this notice can be altered by each company.

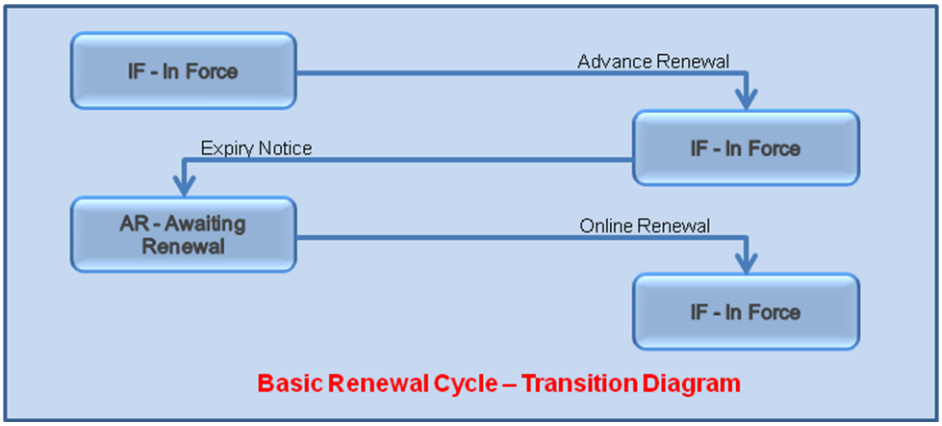
Week 2 – Online Renewal

Assuming the policy holder accepts his invitation to renew, he would send back his acceptance to the insurance company along with any changes he may wish to make. Upon receipt, the user would use the on-line renewal facility to enter these modifications (known as renewal endorsements) and issue the renewal.

On issue, the policy will be updated by having its expiry date advanced for another term, status reset In Force (IF) and the renewal premiums posted to the accounting movements dataset.

At this point, a Renewal Schedule will be printed by the system showing the latest information. The schedule takes the form of a full policy schedule; however, some companies may modify this instead to produce a smaller Renewal Certificate.

The diagram below illustrates the renewal case just described.



3.14.5.2 Manual Renewal Cycle

To illustrate how a manually renewed policy is handled, a second example is presented. This cycle is used by policies marked as requiring manual attention or policies which encountered some kind of error during automatic review.

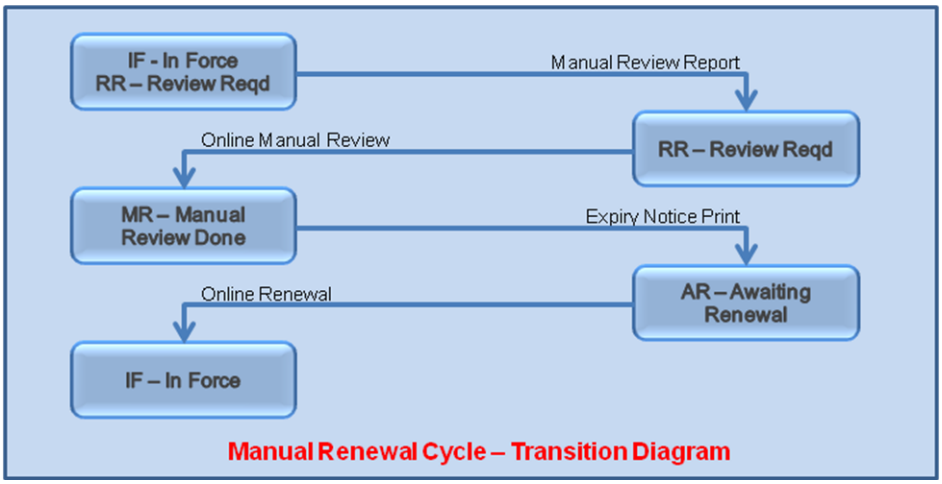
Week 6 – Manual Review Report
A policy which is marked as requiring manual attention will appear on the Manual Review Report (B4194). This report should be used by the user to manually enter the reviewed renewal premium.

Week 6 to Week 4
The user should use the online Manual Review function to alter the policy and risk and enter the required premium. This prepares the policy with the required information to produce the expiry notice. On completion of the manual review, the policy status is updated to Manually Reviewed (MR).

Week 4
An expiry notice will be produced showing details entered by the user during the above step. Policy status will then be updated to Awaiting Renewal (AR).

Week 2
Similar to the previous example, the user will use the online Renewal function on receipt of acceptance from the policy holder. Any changes can be entered and new premiums may be posted. The policy status will be re-set to In Force (IF) and the policy renewed for a new term. A renewal schedule or certificate may also be printed at this stage.

The cycle for this second example can be described in diagram below.



3.14.5.3 Renewal Cycle with No Response

The system is capable of producing reminder notices should the client not respond to the invitation to renew. These reminders are available for both automatic and manual renewal policies and are produced some time after the initial expiry notice is produced. To illustrate, we use the same basic example described above.

Weeks 6 to 4
We assume that the policy has undergone the same processes as earlier described. The policy has then been reviewed (either manually or automatically) and expiry notice has been produced and the status is currently AR – Awaiting Renewal.

Week 2 – First Reminder
A reminder is produced for this policy for despatch to the policy holder. It is identical to the expiry notice including some wording to encourage the policy holder to renew.

The policy status is then changed to FR – First Reminder Produced. No other information is altered.

Week 0 – Second Reminder

A second reminder can be produced for this policy at this stage. Format of the second reminder is the same as the first reminder as well as extra wording advising the policy holder that the policy is due to be lapsed. The Policy status is then updated to SR – Second Reminder Produced.

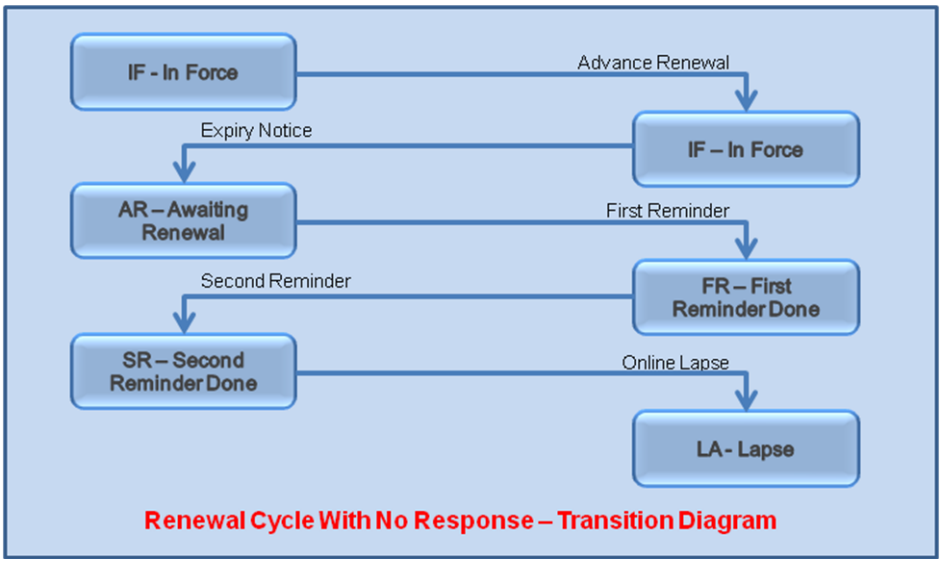
Week +2 – Overdue for Renewal

Should no acceptance be received by this stage, the policy will appear in the Overdue for Renewal report B4211. This report can be used to make direct contact with the policy holder. If required, the policy may then be lapsed.

Week +4 – Online Lapse

As the policy is by now most unlikely to be renewed, the user should use the online Lapse function. This will set the status to LA – Lapsed and a reason for the lapse should be entered. The review premiums which were calculated previously will be deleted and inserted into a Lapse batch to allow reporting and other analysis.

The transition diagram is:

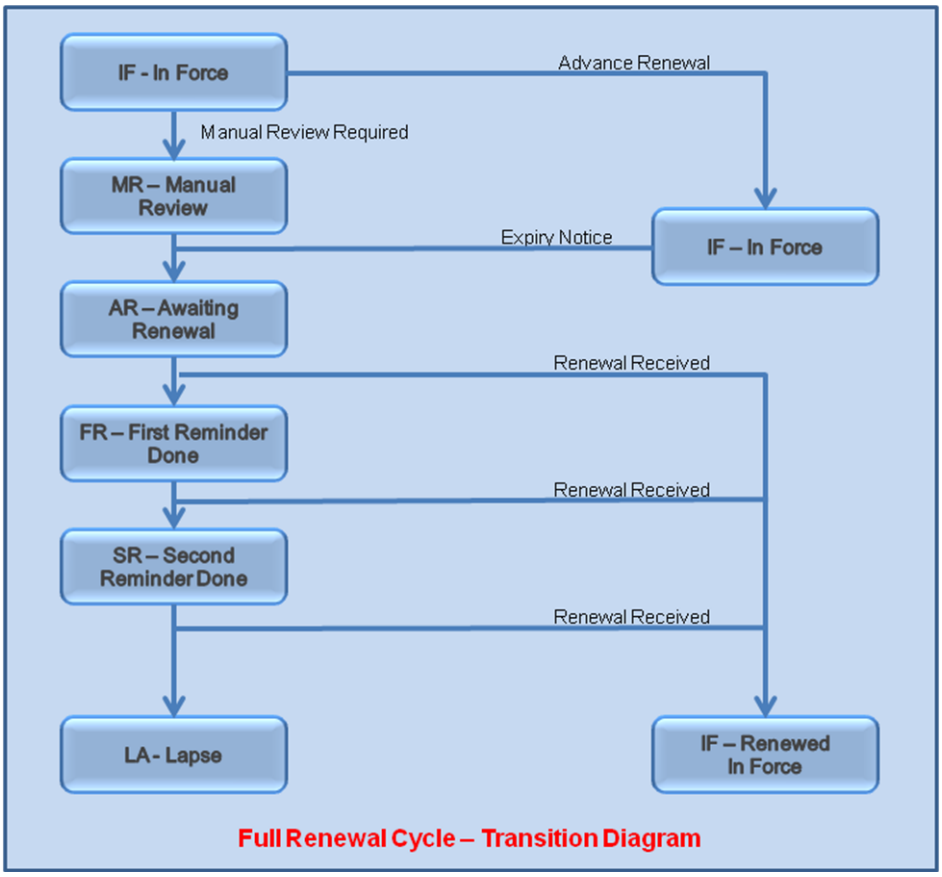


3.14.5.4 Pre-Debit Cycle

A pre-debit policy is automatically reviewed and renewed in the one step by the renewals batch system. This function will advance the expiry date by the duration, review the risk information and update the database, post calculated premiums, and produce a renewal schedule. The account will be debited for the renewal premium and all related subsystems updated just as if the user had performed the online renewal. No further action is required for pre-debit policies. The cycle is:

3.14.5.5 Full Cycle

The concept of the renewal cycle has now been introduced and some important examples described. The transition diagrams for these examples illustrate how a policy will have changes in status during the cycle. To complete the picture, we now present the full diagram showing all the combinations:



3.14.6 P1RENEWALS Batch Functions

The renewal batch job is made up of several processes. Each process is run at a pre-determined time frame and this timing is controlled by the Renewals Parameter Table (T4640).

Batch Renewal Parameter Confirmation – B4193

The renewal batch run confirmation slip process will print out the parameters of the renewals specified. It provides the user with audit control over parameters specified at any particular renewal time. No processing of significance is performed by this program, nor is any updating of the database performed.

List of Policies Requiring Manual Review – B4194

The primary purpose of this process is to produce a list of all policies which have been identified as Manual Renewals. These policies should be followed up by underwriting staff to have them manually reviewed. After that is done, the policy status will be changed to MR and the policy will re-enter the automatic cycle.

Advanced Renewal – B4196
This process will pick up all In-force policies that will expire during the period specified in the run parameters. The program attempts to review the risks and premiums of these policies, and produces a report. No database updating is done. All automatically reviewed information is transient and is printed on the report.

Manual Rated Risk List - B4197
This process reads the extract file created by B4196 and lists policies which have manually rated risk and thus require manual review.

Claims Highlight Risk – B4198
This process reads the extract file created by B4196 and lists all these policies in an output report R4198 – Claims Highlight for Policies Due for Renewal.

Claims Old Vehicle List for Manual Renewal Review – BR455
This process reads through the Old Vehicles Extract File (OVEXPF) and lists the policies due for renewal in an output report RR455 – List of Old Vehicles for Manual Review.

Claims List of Blacklisted Client – BR47M
This process reads a temporary extract file that was generated by the process B4196 and creates an output report RR47M – List of Blacklisted Clients.

Policies Overdue for Manual Review – B4203
This program lists all policies that had their status flagged to Review Required (RR). These policies are awaiting online manual review by the users as Batch Renewal Cycle cannot review them. Policies appearing on this report should be manually reviewed by using the online Renewal Review function.

Auto Renewal Exception Batch – BR43A
For policies with claim experience, with risk flagged as manually rated, the policy status is changed to Review Required (RR) forcing a manual review on-line.

Automatic Renewal – Rerate Risk List – BR43B
This process read the extract file created by BR43A and lists the policies which have manually rated risk and requires manual review on the report RR43B – Manual Rated Risk for Auto-Renewal.

Automatic Renewal – Claims Highlight List - BR43C
This process reads the extract file create by BR43A and lists all policies having claims on the report RR43C – Claims Highlight for Auto-Renewal.

Old Vehicle List for Manual Review – Auto Renew – BR43F
This process read the extract file created by BR43A and lists the policies with old motor vehicles on the report RR43F – List of Old Vehicles for Manual Review. A vehicle is considered old if the year difference between the manufacture and current year is equal to or greater than the number of years specified in table Motor Risk/Cover for Old Vehicle (TR882).

Predebit Renewal Extract Program – B4199
The Predebit Renewal Extract will extract for processing those predebit renewal policies (Renewal type = 03 or M3) that have been manually reviewed (Status = MR), or are in force policies (Status = IF) and have no special attention required (Renewal Attention = 00)

In this process, policies not previously reviewed manually will be reviewed automatically and the database updated. All policies successfully processed within the predebit renewal run will be renewed automatically before a predebit renewal certificate is produced, via the List of Renewals Produced run (B4214).

List of Renewals Produced – B4200
This process reads the extract file created in B4199 and lists all the policies processed. This process produces 3 reports and these are:

- R420002 List of Renewals with Errors
- R420003 Successful Automatic Renewed Policies
- R420003 Policies Pending Renewal Due to Incomplete RI Details

Schedule Printing Process – Predebit Renewals – B4214
This process reads the extract file created in B4199 and prints a Predebit Renewal Notice for every record. The Predebit Renewal Notice is generated at the gross level.

Expiry Notices Production – B4204
This process handles all automatic in-force policies expiring within the specified period that are eligible for renewal and also, policies that had been reviewed online (status of MR). Automatic Review of a policy involves 2 steps:

- Indexation is the alteration of details on the risk record. Typically, this will be involved for recalculation of the NCD for the Motor classes or automatic indexation of the sum insured for Fire classes. (Indexation is determined by the index field on the risk details, for example FIRE risk, and the Premium Classes table (T3640).

- Re-rating is the calculation of premium based on the newly indexed details. Re-rating of premium is determined by the Risk Type Table (T4677), all premium classes used must be specified in this table.

After this process is complete, the status of the policy will be changed to AR. Awaiting Renewal.

This process generates a report showing all Expiry Notices to be produced as well as listing of all errors encountered during the review process.

Expiry Notice Print – B4206
This process reads the extract file created by the Expiry Notice Production (B4204) and prints an Expiry Notice for each record read. The Expiry Notice shows the re-rated sum insured and premium. The premium information shown on the Expiry Notice is determined by the Renewal Notice flag on the policy header record.

The system will produce a copy of the policy schedule by calling the same routine responsible for production of New Business schedules and so on. Some clients may

wish to not do this and rather opt for producing a simple expiry notice slip which can be sent to the client advising of the expiry date, renewal premium and so on. This can be customised during the implementation of the renewals system.

Policies Requiring Declaration – B4207
This process lists all policies that are flagged as requiring Declarations prior to renewal. These policies are identified by having the Renewal Attention flag set to '02' or '03' and with a status codes – In Force IF, Review Required RR, Manually Reviewed MR, Awaiting Renewal AR, First Reminder FR or Second Reminder SR. The system does not automatically follow up this request for declaration. Responsibility for this is within the underwriting department.

Reminder Notice Extract – B4028
This process lists all policies that had been reviewed and had the expiry notices printed, but not yet renewed by the client. Policies with a status of AR – Awaiting Renewal – and expiring within the specified parameter dates are eligible for this report. A record is added to an extract file for the next process B4210 to produce Reminder Notices.

Reminder Notice Print – B4210
This process reads the extract file created in the previous program and prints a Reminder Notice for each record on the extract file. The Reminder Notice shows the same information as would appear on the Expiry Notice, together with some form of reminder to the client to renew. The status of the policy is changed to FR for the First Reminder. If the First Reminder has already been produced, the status will instead be changed to SR – Second Reminder.

Policies Overdue for Renewal – B4211
This process lists policies which are awaiting renewal and will expire within the date specified in the parameter entry. Policies with status of MR, AR, FR and SR are eligible. The purpose of this report is to allow underwriting staff to contact the client and have a last chance at renewing the policy. If the renewal is declined, then the policy should be lapsed by using the online Lapse function.

Renewals Auto Lapse Routine – BP014
This process will lapse all policies that have Expiry Dates within the date range specified in the P1RENEWALS' parameter screen.

Lapsed/Cancelled Policies – B4213
This process lists all policies that had been lapsed or called with their expiry dates within the dates specified. Policies with a status of LA - Lapse or CA - Cancelled are eligible. The purpose of this report is purely to record such policies, and possible to review the amount of premium being lost by the lapse.

3.14.7 P1AUTORENEW Auto Renewal

This job is used to automatically renew policies of private motor, fire, personal accident, liabilities and all risk screens which have the renewal types of 'M5' or '05'. Policies successfully processed will be renewed, with the status flag set to 'IF' and the necessary set of records created.

Currently, not all products are auto-renewable. If the client's status is blacklisted for either 'Country blacklisted' or 'Company blacklisted', the policy will not be auto-renewed and an appropriate error will reflected

Extract Policies for Renewal - BR46S
This process extracts all the policies with renewal type 'M5' and '05' only. The policy type to be processed is entered in the job's parameter screen. Policies which successfully meet the criteria will be added into the Automatic Renewal Extract file (ARXTPF).

Auto Renewal of Policies - BR46T
This is the main program to kick off the Automatic Renewal process. It manages and executes a series of Business Object (BO) programs to carry out the renewal process. The steps and sequence that each BO program is called is interpreted from the on-line renewal function.

3.15 Lapse

Insurance policies may be lapsed for many different reasons. For example, if a client has not renewed a policy when the renewal date has passed, the policy can be lapsed by the insurance company.

The online Lapse function is used for this purpose. No effective date is required for this function as the system assumed all lapses occur from the expiry date of the latest in force version of the policy. The lapsed policy has its 'current to' date set to the renewal date of the policy and the status set to 'LA'. Similar to the cancellation and endorsement function, a Reason Code must be entered on the policy header. This Reason Code is used only for management reporting within the renewals system.

Once issued, the lapse will automatically cause all risks attached to the policy to be terminated i.e., have their termination dates set to the old expiry date. No premium will be raised as the cover has been totally used.

The Lapse function is used as part of the batch renewals cycle. The batch renewals cycle prepares policies that are due to expire for renewal. If after a certain period, no renewal instructions have been received from the client or the client decline the offer, then something must be done to lapse the policy.

As a further safeguard, only policies which do not have a pending endorsement or renewal may be lapsed. This ensures the integrity of the policy and avoids conflicts in the status of the policy.

3.15.1 Lapse Online Function

Access to the lapse transaction is through the lapse submenu. The date effective for this transaction defaults to the expiry date of the policy. Standard batch-block functions apply to this submenu.

A lapse may be performed on any policy for which an expiry notice has been produced and the expiry date has passed. Usually this transaction will be used for policies with a status of manually reviewed or awaiting renewal (e.g. renewal status of 'AR', 'RR', 'MR', 'FR', 'SR' or 'QR' (if Portfolio Quality Review is implemented)). The lapse date defaults to the renewal date on the policy header.

The lapse function does not allow changes on policy detail, but it does demand that the reason for the lapse be entered to aid future analysis. The Policy status is automatically updated to a value of Lapse by this transaction.

3.16 Accumulation

It is important for insurance companies to be able to determine their maximum exposure per risk which is based on risk block or accumulation basis that could be expected following a loss for a particular class of business, like Fire, Cargo. Therefore attention to the accumulation liability has its importance for insurance company to determine their maximum exposure in relation to the retention and reinsurance requirements.

In Integral P&C, accumulation registers are maintained for Fire, Marine Cargo, Bond and Personal Accident class of business.

3.16.1 Fire Accumulation

This accumulation register may be a postcode area in countries where the population density is low, or an individual building in high-density areas. The company needs to define their accumulation registers and the maximum exposure limits applicable to each register. Subsequently, risks must be registered against the registers to ensure that these limits are not exceeded.

As policies are entered into the system, the accumulation register is automatically updated with the risk information. On-line enquiry facilities are available which allow the user to immediately review current and future exposure. In addition, batch reports are provided to report on the status of all registers, and highlight over-exposed registers.

The exposure enquiry is to reflect all the policies (risks) which are effective as at the specified date, excluding lapsed and cancelled. Renewal policies which have expired as at the specified date but are still waiting for renewal, would be included in the enquiry and report. Non-renewal policies are excluded from the exposure once expiry date is earlier than the exposure date.

Reports on registers and their exposures are available via the batch processing job. Three types of reports can be generated by the Fire Accumulation Register Reporting subsystem:

- Fire Accumulation Register - By Block Plan.
  This report prints a list of all Fire Accumulation Registers, and their associated details, in Block Plan order.

- Fire Accumulation Register - By Alpha Description.
  This report prints a list of all Fire Accumulation Registers, and their associated details, in alpha description order.

- Fire Accumulation Register Exposure.
  This report shows all risks associated with a particular Fire Register, as at a chosen date.

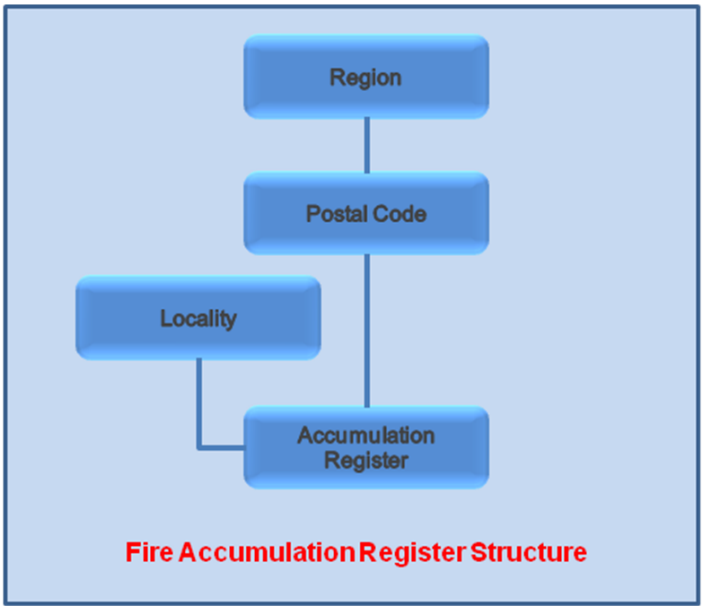
Register Structure

Registers consist of: the Accumulation Register, the Locality and the Region.

The Accumulation Register is the actual risk location as used in underwriting. All policies linked to this location may be accumulated for reinsurance purposes. Accumulation Registers can be grouped together in a Locality.

Locality is used as a way of grouping a number of Accumulation Registers. For example, if an Accumulation Register is a single building, the Locality may be the road name. The Region is a territorial classification (such as state, county or province) which breaks a large area into more meaningful regions. For example, in USA or Australia, the state code is often used. In the UK, this may not be useful, so a null value of *N could be used. The values for this Region Code are arbitrary and are defined in the State Codes Table (T8776).

The following figure shows this Accumulation Register structure.



3.16.2 Marine Cargo Accumulation

Integral P&C's Marine Accumulation subsystem provides all of the functions necessary to create vessel and voyage registers and maintain accurate details of the exposure on each voyage. Exposure limits are maintained for net retentions and risk exposure for each type of treaties.

As policies are entered into the system, the voyage register is automatically updated with the risk information. New voyages may be registered during creation of a risk, if necessary. The voyage numbers must be defined in the Auto Number Allocation Table (T3642) to enable the new voyage creation. On-line enquiry facilities are available which allow the user to immediately review voyage future exposure. In addition, batch reports are provided to report on the status of all registers and highlight over-exposed registers.

The exposure enquiry is to reflect all the policies (risks) which are effective as at the specified date, excluding lapsed and cancelled. Renewal policies which have expired as at the specified date but are still waiting for renewal, would be included in the

enquiry and report. Non-renewal policies to be excluded from the exposure once expiry date is earlier than the exposure date.

Three types of reports can be generated by the Vessel Accumulation Register Reporting subsystem:

- Vessel Accumulation Register - By Vessel code.
  This report prints a list of all Vessel Accumulation Registers, and their associated voyages, in Vessel code order.

- Vessel Accumulation Register - By Vessel name.
  This report prints a list of all Vessel Accumulation Registers, and their associated voyages, in Vessel name order.

- -Vessel Accumulation Register Exposure.

3.16.3 Personal Accident (PA) Accumulation

The Integral P&C PA Accumulation subsystem provides all of the functions necessary to create PA registers and maintain accurate details of the exposure on each insured life. Exposure limits are maintained for net retentions and risk exposure for each type of treaties.

As policies are entered into the system, the PA register is automatically updated with the risk information. New insured life may be registered during creation of a risk through the client maintenance function, if necessary. On-line enquiry facilities are available which allow the user to immediately review insured life future exposure. In addition, batch reports are provided to report on the status of all registers and highlight over-exposed registers based on a specific exposure date.

The exposure enquiry is to reflect all the policies (risks) which are effective as at the specified date, excluding lapsed and cancelled. Renewal policies which have expired as at the specified date but are still waiting for renewal, would be included in the enquiry and report. Non-renewal policies to be excluded from the exposure once expiry date is earlier than the exposure date.

The report generated by the PA Accumulation batch job (P1PACUMEXP) can be one of the following:

- PA Accumulation Exposure - a Full Run
- PA Accumulation Exposure - a specified register
- PA Accumulation Exposure - only Over Exposed Register of a specified register

3.16.4 Bond Accumulation

The Integral P&C Bond Accumulation subsystem provides all of the functions necessary to create Bond registers and maintain accurate details of the exposure on each insured. Exposure limits are maintained for net retention and risk exposure for each type of treaties.

As policies are entered into the system, the Bond register is automatically updated with the risk information. On-line enquiry facilities are available which allow the user to immediately review future exposure. In addition, batch reports are provided to

report on the status of all registers and highlight over-exposed registers based on a specific exposure date.

The exposure enquiry is to reflect all the policies (risks) which are effective as at the specified date, excluding lapsed and cancelled. Renewal policies which have expired as at the specified date but are still waiting for renewal, would be included in the enquiry and report. Non-renewal policies to be excluded from the exposure once expiry date is earlier than the exposure date.

The report generated by the Bond Accumulation Batch job is the Bond Accumulation Register by Register code. This report prints a list of all Bond Accumulation Registers, in Register code order.

This batch job is used to print the various Bond accumulation reports. The possible report requests are:

- Master Listing of a specified Register
- Bond Accumulation Exposure by Contractor - a Full Run
- Bond Accumulation Exposure by Contractor - a specified register
- Bond Accumulation Exposure by Contractor - only Over Exposed Register of a specified register

3.17 Motor Vehicle Blacklisting

This module allows users to maintain and track all blacklisted vehicles either from input received from the Underwriting department or from regulatory bodies.

The online data entry screen is for users to update the particulars of a vehicle blacklisted. Validation on the vehicle status of blacklisting is required at motor risk screen for new business, endorsement, online renewal, online manual review, quotation and online cover note. If the vehicle is blacklisted, a warning message will be prompted to alert the user but data entry is allowed to continue. During issuance, only users sanctioned to vehicle blacklisting is allowed to issue even though there is only 1 vehicle out of many that is blacklisted in a motor fleet policy. Users without blacklisting authority will not be allowed to issue but are allowed to save the transaction.

A listing on blacklisted vehicle is to be provided for information. Integral P&C does not have a batch program to read the tape/diskette from the regulatory body to upload to the vehicle blacklisted database is provided.

4. Quotation

Integral P&C provides a Quotation function which operates in the same way as the New Business function thereby lessening the familiarisation required by users, and ensures a consistency of data entry formats and requirements. The quotation must be issued when it is created; there is no 'save' function. If the quotation is not issued, the whole process will be 'rolled back'.

A policy number is allocated to the quotation. If and when the quotation is successful, it can be converted into an In Force policy via the Convert Quotation option in the New Business subsystem. Policies that are converted from the quotation stage will then follow similar routines as a New Business policy.

Quotation header details are held on the CHDR physical file with a status code of 'QU'. If a quotation is converted to a policy, the status will become 'IF' (in force).

Options are provided to print a quotation, print a Reinsurance Application letter and/or print a Coinsurer Signing Slip.

The subsystem provides a facility for the user to decline a quotation. When a quotation is declined, the status is updated to ‘declined’ (QD) and the quotation cannot be converted to a policy.

5. Cover Note Administration

Cover note administration enables minimal data to be entered to establish cover while still reflecting the risk in appropriate reports. Details entered in New Cover Note are automatically retrieved at the time of conversion to a policy, thereby preventing double entry of data. Updates to policy details are also batched in the same way as financial transactions. This provides an audit trail of the work done for a cover note.

5.1 Create Cover Note

The Create Cover Note function provides the facility to set up cover notes up to and including the time of issue. T he Work with Cover Note option enables the user to make any amendment or view various parts of a new cover note before it is issued.

During issue, the cover note is cross-validated to ensure that there is no inconsistency in the data. If any, it has to be corrected before attempting to issue again.

The main difference between new cover note and new Policy (via New Business) is that premium and reinsurance are not posted at issue. The reinsurance method is defaulted to zero disallowing reinsurance.

5.2 Endorse Cover Note

A cover note may require amendments prior to its being converted to New Business. Integral P&C provides an endorsement facility for cover notes. It is designed in the same way as the other New Cover Note and is used in the same way.

A cover note may only have one pending endorsement at a time. Endorsement is allowed only when a cover note has been issued at the New Cover Note maintenance module.

Note: The endorsement effective date of a Cover Note is defaulted to inception date of the cover note and cannot be changed.

Once an endorsement is made on a cover note, it becomes a pending endorsement until it is issued. The 'Work With Unissued Endorsement' enables the user to make further amendments or view any part of the endorsement before it is issued.

During issue, the endorsement is cross-validated to ensure that there is no inconsistency in the data. If any, it must be corrected before attempting to issue again.

5.3 Lapse Cover Note

Cover notes are converted to New Business when the proposal is received from the client. In circumstances where the cover note is not to be converted, it is lapsed. Integral P&C provides an on-line facility to lapse cover notes on an 'as required basis'.

A cover note can only be lapsed if there is no outstanding endorsement. In addition, the lapse Effective Date entered must be between the Inception and Expiry Date.

After the lapse date and reason are entered in the header screen, cover note data may be viewed in any order via the Work with Cover Note screen. The lapsed Effective Date may be changed until the cover note is issued. All screens except the header screen are in enquiry mode.

When the lapse cover note is issued, a cross-validation is performed to ensure that there are no inconsistencies in the data. Errors must be corrected before the policy can be lapsed (issued). Once issued, the lapsed cover note will have the lapse effective data as its termination date.

5.4 Inquire on Cover Note

Integral P&C provides on-line cover note enquiry that incorporates the standard screen switching concept and may be sanctioned to approved users. The cover notes enquiries are initiated through the Cover Note Enquiry submenu. The Work with Cover Note screen is first displayed to allow selection of either the Header or Risk screen to be enquired.

The effective date entered on the submenu must be within the inception and expiry date of the cover note. Cover Note Enquiry will enable the retrieval of both issued and unissued cover notes.

5.5 Cover Note Batch Functions

The Cover Note subsystem provides the following batch jobs:

- P1CNOTPRT Cover Note Printing All Branches
- P1CNRMNDR Cover Note Reminders
- P1CVNOTST Cover Note Statistics
- P1LAPSEDCN Lapsed Cover Notes

5.5.1 Cover Note Printing All Branches

The batch cover note printing job is provided to ensure that all cover notes new or modified are printed. New reprint is provided via Document Reprint function.

The batch job P1CNOTPRT does not require parameter and can be submitted at the Batch Job Schedule Submission submenu. It will print all unprinted (i.e. not selected to print online) cover notes that are newly created or endorsed.

5.5.2 Cover Note Reminders

A batch cover note reminder printing facility that may be run for all cover notes or expired cover notes at any time. If run/executed at regular intervals, this subsystem ensures the follow-up of all cover notes.

The number of times that a reminder is followed up is restricted to two and a batch cover note lapse job is to follow-up the cover notes that are note converted after the reminder notices are sent.

The batch job schedule, P1CNRMNDR may be run for expired cover notes or for all cover notes. The system keeps track of each reminder printed (via PTRN). It will only print reminder notices for cover notes that have not had two reminders printed.

The two different types of reminder listings are produced. Report R427802 is for Marine Cover Note and the rest of the cover notes are printed in report R427801.

5.5.3 Batch Lapse Cover Note

This batch job is used to perform the function of a batch lapse on the cover notes and to print all the cover notes that have been lapsed.

The job's submission screen allows the user to define the data which will be extracted and reported on by entering a "number of months" flag. Only Cover Notes whose expiry date is less than the system date by this number of months will be included on the report.

5.5.4 Cover Note Statistics

This batch job provides statistics that show the number of cover notes issued, the sum insured and the number of cover notes that lapsed or overdue during the accounting month. The total sum insured is also provided on an accounting month basis as well as year to date.

The Cover Note Statistics report provides the management with the necessary information for analysis of the business with regards to the situation if the number of issued cover notes is below acceptable level. The year to date data will help manager in future planning.

The information provided is as follows:-

- Number of Cover Notes issued for the accounting month
- Total Cover Notes issued Sum Insured for the accounting month
- Number of Cover Notes issued for the financial or accounting year
- Total Cover Notes issued Sum Insured for the financial year
- Number of Cover Notes lapsed for the accounting month
- Total Cover Notes lapsed Sum Insured for the accounting month
- Number of Cover Notes lapsed for the financial year Total Cover Notes lapsed Sum Insured for the financial year

6. Packaged Policy Shell

The Package Policy Shell facility enables users to create a package policy based on pre-defined risk 'template'. The default risk types can be defined as a mandatory or optional coverage within the policy. It also assigns default risk details of the risk types in the "template".

When creating a packaged policy during New Business, the policy will automatically attach the risk types based on the 'template'. This feature facilitates data entry for packaged policies thereby saving time and minimise data entry errors. It is especially useful for Package Policies where the risk types to be insured are standard.

The Package Policy Shell also includes defining Package Policy Shell for a particular agent with some variations e.g. premium rate or sum insured of a particular interest cover.

If an intermediary user registers the policy, the risk information defaulted from the package Policy Shell facility is protected and intermediary users are not allowed to overwrite the data.

The "Schedule Print Indicators" reflected on the package Policy Shell are not used currently. However, they are for future use for the printing of package products.

The Package Policy Shell facility covers the following package risk screens: -

- Workmen Compensation
- General Risk
- Bond
- Professional Indemnity
- Hospital & Surgical
- Money
- Liability
- Electronic Equipment
- Private and Commercial Motor (South East Asia version)
- Fire
- Personal Accident
- All Risk

The screens used to build up the package Policy Shell of the policy is very much similar to the ordinary risk screens as the information set up here needs to be defaulted onto appropriate fields in the normal risk screens during new business transaction. The attaching risk types can be defined as a mandatory or optional coverage within the policy.

Please refer to the following risk screen reference when setting up TR80K table for Package Policy Risk Shell Switching.

Type of Risk	PSEA Risk Screen	Package Risk Screen
General Risk	S4803	SR4AE
Workmen Compensation	S4811	SR4AF
Bond	SR4A3	SR4AG

Professional Indemnity	SR4A4	SR4AH
Hospital and Surgical	S4807	SR4AI
Money	S4808	SR4AJ
Liability	S4810	SR4AK
Electronic Equipment	S4813	SR4AL
Fire	S4800	SR4AM
Personal Accident	S4809	SR4AN
All Risk	S4805	SR4AO
Motor (Private/Commercial)	SP003/SP004	SR833

Impact to existing Risk Screens

When working on New Business transaction for package policy, the system will retrieve the "shell" values/information set up in the Package Policy Shell facility onto the respective risk screens. Processing of the main risk screen is per normal and subject to all required validations. If the policy belongs to an intermediary user, defaulted "shell" values are protected. Otherwise, user is allowed to override the default "shell" values. Section number and description are defaulted from the "shell' value and can be modified.

7. Reinsurance

The Reinsurance subsystem has an option to enable processing of treaty transactions at 100% treaty level or provide treaty accounting processing at reinsurer level for outward treaties. The latter is known as Treaty Participant Accounting or TPA, in short. The TPA facility enables the financial administration of treaty related transactions, rendering of statements of account and account settlements for each participant. The TPA facility or processing is an option that has to be set up in table T3711 and is delivered as part of Integral Phase 2.

The Reinsurance information set up is then accessed during the underwriting transaction processing. During claim registration, the RI Method and the reinsurers will be defaulted by the system. Loss recoveries are calculated automatically

7.1 Treaty Details

The Reinsurance Treaty Details submenu provides the facility to create, modify and enquire into information relating to a reinsurance treaty. Treaty number is manually allocated so to maintain a meaningful code for each treaty for easy identification.

Both proportional treaties like the surplus, quota share and the non-proportional such as excess of loss (XOL) treaties are catered for. Depending on the types of treaty to be set up, the system will automatically require certain mandatory information to be entered on the details screen. Examples:- treaty calculation basis for proportional treaties can only have "PA" to denote Policies Attached. For excess of loss treaty, it is mandatory to enter "Deductible" and "Up To" limits and treaty calculation basis can only have "LO (Losses Occurring)" or "LR (Losses Reported)". Treaty participant / broker share information and treaty provision for accounting and underwriting terms are entered for company required TPA processing.

Treaty details are held on the Treaty Details (TRTY) file.

7.2 Treaty Arrangement

The Reinsurance Treaty Arrangement submenu provides facility to create, modify or enquiry on the treaty arrangement which is a collection of treaties that is equally applicable to a certain class of business for a period of time.

An arrangement is a collection of treaties that is equally applicable to a certain class of business. E.g in the fire classes, the company may have a mandatory government cession, 2 surpluses and an XOL treaty. For marine, it may be the government cessions plus 1 surplus treaty. Set up different treaty arrangements for each of these classes. Hence, assign each arrangement to the appropriate risk types via Table T4699.

The Arrangement allows for any combination of:

- Quota Share
- Government
- Surplus treaty, up to 6 layers
- Excess of Losses, up to 8 layers

- Catastrophe, up to 8 layers
- Stop Loss, up to 8 layers

The arrangement number is assigned by the user, and not automatically allocated by the system.

7.3 RI Method

The most important field for the correct processing of the reinsurance for the risk is the RI method. There are 3 valid RI methods in Integral P&C namely

- Automatic Treaty Reinsurance
- Treaty and Facultative Reinsurance
- No or Manual Reinsurance

Automatic Treaty Reinsurance
This means fully automatic processing of reinsurance. That is any outward treaties applying to the whole class of business will have RI cessions automatically allocated by the system.

Treaty and Facultative Reinsurance
This is used to indicate partially automatic reinsurance. This is used when some cessions are to be made to Surplus Treaty, Facultative Proportional or XOL reinsurance. The system will cede in the proportions input by the user, while also ceding to any reinsurance that apply to the whole class of business, as for method zero above.

No or Manual Reinsurance
This means reinsurance posting is completely manual. RI premium journals are used to cede premium to all the required reinsurers.

7.4 Treaty Setup

There are four steps involved in setting up treaties for the reinsurance processing of a risk class of business in Integral P&C. These are:

Create treaty reinsurer account.
The reinsurer needs to be created as a cooperate client who has been registered as reinsurance account in the Reinsurance subsystem. The reinsurer will be identified by an account number and this will be used when defining treaty.

Create Treaty Details.
Using the Reinsurance Treaty Details submenu, enter all the mandatory and required information pertaining to the treaty together with the participants share and details, if necessary.

Create Treaty arrangement.
Using Reinsurance Treaty Arrangements submenu, group all the relevant treaties together to form a treaty arrangement.

Set up Risk Level RI Arrangement table (T4699) for the given risk class.
Update the Risk Level RI Arrangement Table (T4699) for the given risk class. Specify which treaty arrangement is applicable for a particular treaty year. In addition

reinsurance method is also need to be specified to denote the cession associated to the risk to be created.

Treaty Reinsurance Arrangement Report can be printed via batch job TRTYRPT for verification.

7.5 Reinsurance Premium and Commission Calculation

During underwriting, if the RI method selected is Treaty and Facultative RI, the user is required to complete the Risk Level Reinsurance Detail Screen S4049 to capture the reinsurance cession for the policy. However if the RI Method is Automatic Treaty RI, the Risk Level Reinsurance Detail Screen S4049 will not be displayed and the system will automatically calculate treaty reinsurance for Quota Share, Government and Treaty XOL as defined in the treaty arrangement for the risk class. For the RI Method No or Manual RI, all cessions and loss recoveries will be performed using the RI premium journal and RI claim journal subsystems. All amounts and percentage must be manually calculated by the users

For both RI Method Automatic Treaty RI and Treaty and Facultative RI, the system calculates and post on line all reinsurance premium cessions for all the reinsurance accounts selected by the user. The posting is not visible to the user but may be enquired upon or modified. The system calculates the ceded premium based on the percentage or amount entered by the user. Reinsurance commission is also calculated and posted according to the selections made by the user, for example OGR/ONR options are available

The system uses the Original Commission Plus (OCP) to determine if the ceding to the reinsurer will include charging them with the acquisition costs (the agent commission). It is prompted for on both the treaty and facultative input screens, and will flow through to the RTTY and RFAC files respectively.

The OCP flag works in combination with the gross/net indicator which indicates whether ceded premium is based on Gross Premium or Net Premium (Gross less Agent Commission). There are four possible combinations; the following example illustrates the posting for each of the four combinations.

Assume, for each case, gross written premium $100, outward commission 20%, reinsurance ceded 50%, and exchange commission 10%.

Case 1 – Gross R/I without OCP	
Gross Written Premium	100
Agent's Commission	20
Ceded Premium	50
Inward Commission – Exchange	5 CR
Reinsurer Nets	45

Case 2 – Gross R/I with OCP

Gross Written Premium	100
Agent's Commission	20
Ceded Premium	50
Inward Commission – Exchange	5 CR
-- Recovery	10 CR
Reinsurer Nets	35

Case 3 – Net R/I without OCP

Gross Written Premium	100
Agent's Commission	20
Net Premium	80
Ceded Premium	40
Inward Commission – Exchange	4 CR
Reinsurer Nets	36

Case 4 – Net R/I with OCP

Gross Written Premium	100
Agent's Commission	20
Net Premium	80
Ceded Premium	40
Inward Commission – Exchange	4 CR
-- Recovery	10 CR
Reinsurer Nets	26

It is to note that the base system has disallowed for both facultative and treaty reinsurance to have cession basis on 'N' and OCP 'N' as in example 3. The last example of Net with OCP does not make sense as the reinsurer is having the agent's commission removed two times from his premium. This is unlikely to occur in practice.

7.6 Automatic RI Placement

Net retention checking is done for every risk and checked against the maximum capacity defined for the Treaty at the risk level despite the fact that some risks require accumulation. In addition to this, the system checks the net retention of a risk against net retention of all the risks' accumulated for an accumulation register, i.e. location (for Fire), lives (for PA) and Voyage per Vessel (for Marine Cargo).

In detail, the process is

- Cede to National Re (Malaysia – MNRB VC, Singapore – SingRe) according to quota share % as set up in treaty maintenance, subject to maximum capacity, whichever is lower

- Balance to be given to Net, subject to maximum retention limit. For products that have 'Accum Net Retention Check' in TR838 defined with 'Y', checking of Net Retention amount against its accumulation register is then required
- If Quota Share Treaty applies, quota share % as set up in Treaty Maintenance will be applied over net retention, subject to quota share treaty capacity
- If there is any surplus after Net Retention, the surplus is to be placed to Surplus treaty, subject to the treaty's maximum capacity by line
- If there is any balance after Surplus, the balance will automatically be placed to the Facultative

The Auto Apportionment is applicable when the following conditions are satisfied:

- RI method is '1' or '0' and RI Arrangement Code set up in table T4699 must not be 9999 for the date range of the processing risk type
- And one of the following is true:
  - New Business if RI arrangement or mapping not set up

    Or

  - Take Up if RI arrangement or mapping not set up

    or

  - Renewal if RI arrangement not set up with current processing date

    or

  - Quotation or online Cover Note

Note: During Renewal, the system retains the share % ceded to facultative in the previous transaction.

8. Claims

The Claims module allows for full control over a claim at all stage of its existence. It is integrated with other related systems in Integral P&C such as underwriting and accounting. Claim is set up with initial estimate of outstanding claim reserves using claim registration. Modification action is used for processing of any subsequent claim activities to the claim except for payments and receipts. Provision is made for take-up of historical data and conversion of outstanding claims.

Policy reinsurance details in force at the time of loss is determined by the system and carried through to the claim record. Payment and recovery proportions are automatically posted to the reinsurer accounts.

8.1 Claims Notification

Provide a new facility for the claims department to input basic information when the company is being notified of a possible claim. The maintenance feature includes the ability to modify and inquire as well as to convert the notification into a new claim registration.

In the event that the notification is not an admitted claim, the user can update the status to decline/reject. A follow-up report can be produced to track the notifications that are pending conversion to claim or not rejected.

8.2 Claim Registration/Amend

The Claims subsystem for Integral P&C Admin provides a flexible means of structuring and recording claim details. A claim is set up with initial estimate of outstanding claim reserves using claim registration. A claim needs to be registered against a particular risk on a policy to ensure the policy was in force at the date of loss and all appropriate policy details including reinsurance arrangements are automatically defaulted into claim records. The claim number is automatically allocated by the system from the number series stored in the Allocation table (T3642).

Claim Header
Basic claim information relevant to the claim is held in the Claim Header record. The claim header contains information such as loss and reported dates, claimant and third party information, description of loss, solicitor and assessor information.

Reserve Analysis
Upon completion of the header data, the next screen allows various "screen switching" for data entry. This includes action to set up reserves, reinsurance and any statistics information. During claim registration, logical business functions usually proceed to the "Reserve Analysis" to establish gross outstanding reserves by premium class (es) and reserve code if necessary. Dropdown/Windowing facility is available for the selection of valid codes.

Reinsurance
For reinsurance recoverable, reinsurer accounts, RI types and proportion or Deductible/Up To Limits are defaulted by the system. This screen records details of all risk level reinsurers, which apply to the claim. The whole of class treaty and

facultative reinsurers associated with the risk during underwriting are all automatically defaulted from the policy records.

All defaulted accounts are checked for treaty cut-off and portfolio transfer. Risk level reinsurance is on a 'Policies Attaching' basis, so the accounts shown are those in force for the policy inception date.

Under normal circumstances, all of the default information is accurate for the claim. The reinsurance details should be modified only under exceptional circumstances, e.g. if the claim arises before the whole of class treaties have been finalised. Additional loss accounts may be added for the claim, and the existing proportions or XOL limits can be modified. The defaulted accounts are protected and cannot be deleted, however, their default values/rates can be adjusted/updated.

These claim level reinsurance adjustments do NOT affect the policy's/risk's reinsurance.

Statistics

Statistical details can be created at any stage during the life of a claim, e.g. claim registration, claim modification, etc. Where applicable, information from the policy is defaulted into the statistics screen. These details can be overwritten and additional claim information can be added.

Seven general statistics screens are available in the system and these are

- Fire Statistics (S4233)
- Cargo (S4234)
- Hull (S4235)
- Personal Accident (S4236)
- Workers Compensation (S4238)
- General Motor (S4239

Approve/End

Claim registration can be approved after all mandatory details are completed. Financial transactions are created for general ledger posting by batch. The acknowledgement letter and preliminary loss advice for the facultative reinsurers are produced through a separate batch job CLMLETT.

The registered claim can also be held for later approval or waiting details not yet known. For the pending status, no financial transaction is created.

8.3 Claim Registration Modify

Claim modification details are recorded via several different screens which are similar to the claim registration screens. Key switching enables access to these different details, which may be entered and reviewed until the modification is approved.

Claim Header

The general details of a claim can be modified. Claims may be reopened by changing the status. Similarly, they may be closed, provided that the balance outstanding is set to zero before approving the modification.

The loss date may be changed, in which case the system will automatically identify any necessary changes to the reinsurance details if the R/I method is 'Automatic Treaty RI' (0) or 'Treaty and Facultative RI' (1). Care should be taken when changing the loss date for claims requiring reinsurance recovery journals (R/I method is 'No or Manual RI (9)).

The claim currency cannot be altered; however, the exchange rate can be modified as required.

Reserve Analysis
The initially dissected Claim Reserves can be modified and additional Reserves can be added. Clicking Refresh will calculate the revised Reserve Total and update the Reserve descriptions.

Reinsurance
The Proportion amounts or the Excess of Loss limits for a Claim Reinsurer can be modified. If the Account Balances require revision, this must be done through a Claims R/I Journal transaction.

The Recovery Balances for each reinsurer is automatically calculated and posted when the claim modification transaction is approved.

Under normal circumstances, all default information during claim registration is accurate. The Reinsurance details should only be modified under exceptional circumstances, e.g. if the claim occurs before the Whole of Class Treaties were finalised in the system. Additional Loss Accounts may be added for the claim and the Proportions or XOL Limits modified. The defaulted reinsurer account numbers are protected.

As with claim registration, claim level R/I adjustments do not affect policy/risks' reinsurance.

Statistics
Claims supplementary information entered during claim registration is defaulted and the user can be modify or add additional information.

Approve/End
To update the modification details, click/select either the End or the Approve option. If End is selected, the modification will remain pending. If Approve is selected, the claim details will be updated to reflect the modification and the movement will be posted to the financial subsystems. In both cases, processing is returned to the claim transactions menu.

To cancel any details entered since making selection from the menu, click the Exit action to return to the menu.

8.4 Claim Transactions R/I Journal

This is the Integral P&C facility to record reinsurance recoveries and estimates for those claims, which have a non-automatic/manual reinsurance method. Claim R/I Journals are used to establish reinsurer balances and to post cash or payments for 'Manual' R/I Accounts, e.g. Stop Loss, or for accounts that cannot be processed within the automatic whole-of-class reinsurance system. Separate journals are required for

each reinsurance account applicable to the claim. The claim must be active before an RI journal can be posted.

The system displays the balance outstanding amount for the reserve dissection of each reinsurer, if the balance outstanding is to be revised. Enter the new reinsurer balance outstanding. This value reflects the outstanding before consideration of any payment amount and the Revised Flag must be set to Y.

It is important to consider that any cash receipt for a claim does not adjust the claim's balance outstanding. A cash receipt is posted as a negative payment, thus affecting the claim's incurred amount. To distinguish between payments and possible cash refunds, the Claims RI Journal Codes Table (T4645) must be set up with the appropriate function in the short description, e.g., PY for payments, CS for cash, etc. This will ensure that cash posting does not affect the balance outstanding (unless a revised balance is requested).

8.5 Claim Payments

The basic claim payment cycle undergoes these phases - requisition, approval, authorisation, and payment processed and printing. The Payment Methods Table (T3672) allows a variation to the cycle by payment method through the 'Pre-approved', 'Pre-authorised' and the 'Immediate Post' indicators. These indicators may alter the timing of each phase in the basic payment cycle for a particular payment method.

Claim Payments can only be made to persons/organisations who are registered as clients on the system. Therefore, to create a claim payment, the client number of the payee must be entered. The payment requisition number is automatically allocated based on the number series stored in Allocation Table (T3642).

The Payment menu allows a requisition to be created, maintained, approved, authorised and enquired upon. Claim Payments are different from normal payments in that extra details for each claim and reserve details have to be captured. These requisition details are entered via a payment code (e.g. fire damage, water damage, assessors' fees etc) and checked against claim details to provide a meaningful breakdown of the different payments for a claim. Each requisition total is further dissected by premium reserve combination and all payment amounts are edited against the claim's reserve balances while making a payment.

The claim's outstanding reserve amounts can be revised during the requisition entry and at the same time it is possible to indicate whether the payment is the partial or final payment for the claim.

The process of approval and/or authorisation can be activated from the Payment menu and is usually performed by duly authorised personnel who have pre-defined limits of authority in respect of cheque amounts. The standard sanction facilities impose payment limits for each user, as well as controlling individual access to bank codes operated by the company. Once authorised, the requisitions are then processed by the bank code through the batch job CHQPRNnn where 'nn' is a notation for the bank code to be processed and defined in the schedule processes. This job also produces the automatic cheques for printing and each is assigned an internal serial number. Auto cheques are usually printed on pre-printed, pre-numbered (cheque number) stationery, format of which may sometimes be stipulated by the bank. Only when the

CHQPRNnn process is completed and payments are issued, the balance outstanding and paid amounts are updated for the claim, the reinsurance recovery calculations are performed and all transactions posted.

Full transaction details can be viewed through the claim transactions enquiry options available. Final payments require all reserve balances to be reduced to zero. Once a final payment has been issued, the claim is automatically closed.

There is also a facility to create a Payment Request by cloning (copying) a previously processed payment record. This could be used to reduce the processing time in situations where a regular payment is made to a particular party. The details of the processed record are retrieved and displayed for confirmation/modification as required and a unique payment number is allocated to the new record. To create a payment record by cloning a previously processed payment, the number of the payment record to be cloned must be entered or selected from a list of payment records, only processed payments can be cloned in this way.

Modification or cancellation is possible if the requisition has not yet been approved and/or authorised. However, once a payment request has been cancelled, it cannot be reinstated. Further discussions on Payments can be found in the Integral FSU Base Guide.

8.6 Claim Cash Recovery

If the insurer is able to recover some of the costs incurred for the claim, then this will be registered in the system as a cash recovery. Cash Recoveries on the Claims menu provides the facility to record the recovery of some of the costs incurred for the claim. This may include salvage recovery, third party recovery and excess payment by claimant. This facility is interfaced with the Receipt module.

The Cash Recoveries screen is made up of 2 sections. The upper 'header' section records the details of the individual or company the monies were received from and in what form. If cheque is received, additional data captured includes bank details and cheque number. The second half is usually known as the 'dissection' screen. It comprises of entry lines, each of which is entered the codes designating what the received monies represents. For claim cash recovery, a second screen is displayed to capture the loss description of the receipt and the partial/payment flag for updates of claim files. Claim receipts are processed by user defined cash receipt code to indicate salvage recovery, excess recovery or third party recovery. The cash amount is further dissected by premium reserve combination. All amounts are edited against the claim reserve balances, which can be revised if necessary as part of the transaction.

Cash receipts for a claim does not adjust the balance outstanding but affects the incurred claim amount since it is posted as a negative payment.

8.7 Claim on Register

This module allows insurance companies to monitor and control their underwriting exposure in certain situations. To this end, certain classes of business are grouped under registers. Fire risks are associated with a Fire Accumulation Register whilst Marine Cargo risks are associated with a Marine Register, which reflects the voyage the cover is effected for. In addition to controlling the underwriting limits for these

situations, it is also necessary to be able to review the claims performance on these registers.

The Claims Accumulation Register Enquiry function allows enquiry upon specific subsets of claims under the Fire Accumulation Register or the Marine Register of vessels and voyages. Both enquiries allow scrolling through the complete list of selected claims. Individual claims may be further enquired upon and for this level of enquiry the standard claims enquiry programs are invoked. At the foot of the scrolling screens are totals of Claims Incurred, Balance Outstanding and Claims Paid for all of the claims that satisfy the selection criteria for this enquiry. These totals do not change while scrolling through the selected claims.

Claims on Fire Accumulation Register

The Claims on Accumulation Register enquiry function displays a list of claims grouped under an accumulation register where the Date Occurs falls within a specified range.

Claims on Marine Register

The Claims on Marine Register Enquiry provides a list of claims for the selection voyage and vessel codes specified on the menu.

8.8 Claim Conversion and Revival

This function involves the thorough preparation and conversion of existing files. Companies with a low volume of conversion data or no means of automatic conversion require a data entry facility to take up this information.

The Claims Conversion function, is based on standard key switching, enabling partial claims details to be entered and reviewed as the data becomes available. This is useful as not all claims and risk details are available at the time of conversion. Thus, it is sufficient to enter just the date of occurrence, date reported, currency, exchange rate, claim general description and reinsurance method indicator. Additional details may be added later.

Claims conversion data can be introduced via a sequence of screens that very closely resemble the standard claims transaction screens. Claim numbers may be manually input for consistency, or allocated by the system within predefined ranges. Cross validation with underwriting details is minimal, to enable claims data to be entered unhampered. Naturally, the policy/policy and risk must be on file for the claim to be converted and entered into the system as either a Take-up claim or a Revival claim.

Take-up claims all have its status set to "ACTIVE" following approval, whilst **Revival claims** will be "CLOSED" upon approval. Take-up and Revival claims are handled by the same set of programs. These claims are considered "pending" until approved by an appropriately sanctioned user. Once approved, the claims are eligible for processing within the Claims Transactions, Claims Payments and Claims Cash Receipts subsystems. The gross and R/I history take-up figures remain available for subsequent enquiry and the claim can be adjusted via the standard modification options in the Claims Transactions module. This allows considerable flexibility in entering take up data to the system.

The take-up balances outstanding and paid to date values are captured via the conversion reserve analysis screen. These amounts are dissected by reserve code

within premium class, and may be entered as zero. The take up balance outstanding must be zero for Revival claims, as they will be "CLOSED" upon approval. The premium classes must have been entered during underwriting take up. The gross and R/I take up balance outstanding and paid values are stored separately on approval, providing an accessible financial history of the claim as at the time of conversion

Reinsurance accounts associated with the claim are entered manually. There is no automatic allocation of reinsurance as exists within the claims transactions module and any accounts entered are not validated against the risk level details. However, all these reinsurance accounts must exist as valid treaties within the Reinsurance module. The take up balance outstanding and paid to date values are entered for each reinsurer and recorded for the claim. The take up R/I balance outstanding for revival claims must be entered as zero. Once a conversion claim has been approved, subsequent transactions will generate automatic reinsurance recoveries if the reinsurance method is 'Automatic Treaty' (0) or 'Treaty and Facultative RI' (1). Claims requiring reinsurance journals should be converted with reinsurance method 'No or Manual RI' (9).

Claims statistics are optional for conversion and the information created during the claim take up and revival have no effects on the other modules as General Ledger and Debtor.

Header
This screen captures the general details for a conversion claim. It processes both direct and inwards R/I claims and caters for foreign currency transactions.

Reserve Analysis
The Conversion Reserve Analysis screen enables the balance outstanding and paid to date values to be entered for each premium reserve dissection.

Reinsurance
This screen records details of all reinsurance accounts attached to a Claim, regardless of the R/I method. For each account, the Balance Outstanding and Paid to Date values, as at the time of conversion are displayed. Once the conversion transaction has been approved, reinsurance recoveries will be effected for subsequent transactions, according to the R/I method.

Approve
This screen displays summary information about a conversion claim prior to approval. It is for information only and any change must be applied to the relevant transaction screen/s.

8.9 Claim Inquiries

Claim enquiry can be access via Enquiry system from the Main Menu or by Claim Transactions menu of the Claims module. The enquiry facilities provide the user with access to 5 types of claim information:

- Claim Inquiry
- Transaction Inquiry (Gross and RI)
- Requisition Inquiry
- Statistics Inquiry
- Unapproved Claim Transactions Inquiry

The system provides client window facility for user to select the appropriate client who will either return the claim number to the enquiry screen or if the client has more than one claim then option to select the relevant claim number. Claim number, policy number and vehicle registration number for motor claims can enquire the claim information. In addition the 1st 20 characters of the injured name can be used to enquire for claims in respect of workmen compensation, personal accident and travel policies. For inward claims, the ceding company reference number can be used to enquire the inward claim details.

8.9.1 Claim Inquiry

The Claim Inquiry allows one to view all current details of an approved claim on-line. The claim details are grouped into various screens namely Claim Header, Reserve Analysis, Claim Reinsurance and Claim Statistics. The user can conveniently switch to them from a central point, that is, the Claim Inquiry Key Switching. The system does not allow user to modify any of the claim details.

8.9.2 Claims on Policy Enquiry

If only the policy number is known, the Claims on Policy Enquiry can be used. After providing the policy number, a list of claims against the policy is shown. Selecting a claim will invoke the Claim Inquiry for the selected claim.

8.9.3 By Vehicle Number

If only the vehicle number is known, the By Vehicle Number Enquiry can be used. After providing the vehicle number, a list of claims for the vehicle is shown. Selecting a claim will invoke the Claim Inquiry for the selected claim.

8.9.4 Transaction Inquiry

This inquiry displays the full history of all transactions made on the claim. The current claim details are summarised at the top portion of the main screen and all completed transactions are listed in the bottom portion for selection. For each transaction, the resulting balance and any payment or cash amount are shown. Selecting a transaction will display its details, that is, the payment amount, resulting balance outstanding and balance outstanding movement are shown for each premium reserve dissection.

8.9.5 Claim R/I Transaction Inquiry

This inquiry displays transactions and all associated movements for each reinsurer. After identifying the claim number to be inquired on, the user will be presented with the Claim RI Transaction Select screen. The top section of the screen presents a summary of the current claim details and the lower section lists all completed transactions. For each transaction, the RI balance outstanding movement is shown. Selecting a transaction will display the recovery breakdown for each reinsurer, that is, the payment amount, resulting balance outstanding and balance outstanding movement.

8.9.6 Requisition Inquiry

This inquiry lists the **pending** requisitions for the selected claim. The top section of the displayed screen shows basic claim information. The bottom part lists details of the pending requisitions against the claim.

8.9.7 Claim Statistics Inquiry

This inquiry displays the current statistics information for the selected claim. The user is not allowed to view other claim details, e.g., header, reserve, etc.

8.9.8 Unapproved Registration Inquiry

This option is for viewing unapproved claim registrations. The same set of screens used/invoked by the Claim Inquiry is used to display details of the unapproved registered claim.

8.9.9 Unapproved Modification Inquiry

This option is for viewing unapproved claim modification transactions. The same set of screens invoked by the Claim Inquiry is used to display the details of the unapproved claim modification transaction.

8.10 Claim Reports

There are 4 main categories of claim reports available to management, policyholders, reinsurers and claimants. These include:

- Claim Letters
- Claim Outstanding Reporting
- Claim Monthly Performance Reporting
- Claims Facing Sheet

8.10.1 Claim Letters

When a claim registration or modification is approved, a claim is paid, or a cash salvage recovery is made, various letters are automatically generated by the system addressed to the claimant and any reinsurers attached to the claim. This job, **CLMLETT**, produces the following letters are available:

Acknowledgement Letter
This letter will be produced and forward to the claimant when a claim has been registered. It will detail the date of the loss and the nature of the loss, and acknowledges that the insurer has registered the claim.

Payment Letter – Full Settlement
This letter will be produced and forward to claimant when the current payment is the full and final payment one. It will show details of the claim, and advise the claimant that the company considers the claim closed.

Payment Letter – Partial Settlement
This letter will be produced when a claim is paid, which may be the partial payment and the claim status still active. It will identify the claim and the policy numbers, and advise the claimant that this is a partial settlement only.

Payment Letter to Ceding Company
This letter will be issued to the insuring company when a payment is made in settlement of their loss on an Inward Reinsurance Policy.

Preliminary Loss of Advice - Facultative Reinsurer
This letter will be produced for every facultative reinsurer attaching to a claim when it is registered or modified. It will detail the policy and the claim for which the loss occurred, and will remind the reinsurer of their interest in the policy.

Advice of Loss Settlement/Debit Note - Facultative Reinsurer
This letter will be issued to each facultative reinsurer attaching to a claim when a payment is made; this payment is not final settlement and the claim still active. It provides details of the amount of the payment and will advice the reinsurer their interest in the loss and that their account will be debited with the amount of their share of loss.

Revised Loss Advice - Facultative Reinsurer
This letter will be produced for every facultative reinsurer attaching to a claim when the outstanding reserve is revised. It provides the amount of the revised outstanding loss and advice the reinsurer to adjust the outstanding reserve accordingly.

Advice of Loss Recovery - Facultative R/I
This letter will be issued to each facultative reinsurer attaching to a claim when a cash recovery (banked or unbanked) is made. It provides details of the recovery amount and the reinsurer's portion of it. It states that the reinsurer's amount will be credited with his share of the recovery.

Advice of Loss Full Settlement - Facultative R/I
This letter will be issued to each facultative reinsurer attaching to a claim when the claim is paid and it is the final payment. It will detail the claim, the payment, and the reinsurer's interest. And advice that their account will be debited with the amount of their share of loss to close the file on the claim.

8.10.2 Claim Outstanding

The Claim Outstanding Reports provide management information on all outstanding claims, and highlight outstanding claims can be produced on request. Reports can be produced periodically on request and is initiated via a parameter entry screen. The criteria for the selection of outstanding claims can be input as parameters.

The Claim Outstanding sub-system is described in the job stream as **CLAIMOS**. There are two detail reports and three summary reports produced to serve management requirements.

Claim Outstanding Detail Report
This report lists all outstanding/open claims in the system. Details like the policy number, risk type, report date, occurrence date, nature of loss and agent are provided for each claim. In addition, each claim's paid amount, outstanding balance and total incurred amounts are summarised by gross, facultative reinsurance, treaty reinsurance and nett. The report sorts the claims by major class.

Claim Outstanding Summary Report by Loss Year

This report provides a summary of the outstanding balances by major class, year of loss and underwriting year. For each combination, the number of claims, gross amount, reinsurance amounts by reinsurance type and net incurred amounts is shown.

Claim Outstanding Summary Report by Underwriting Year
This report provides a summary of the outstanding balances by major class, underwriting year and year of loss. For each combination, the number of claims, gross amount, reinsurance amounts by reinsurance type and net incurred amounts is shown.

Claim Outstanding Summary Report by Treaty
This report lists the number of outstanding claims, total paid amount, total outstanding balance and total incurred amount for each treaty account. The report sorts these by major class.

Reinsurance Treaty Outstanding Bordereau
For each treaty account, the report lists the individual claims together with the gross outstanding amount and treaty share. The report sorts these information by major class, risk type and treaty account.

8.10.3 Claim Monthly Performance

The Claim Monthly Performance Reports provide monthly management information claim payments, claims registered, reinsurance treaty recovery bordereaux and claim movements.

In order to produce the monthly reports, all monthly transactions on claims are collected and analysed, in some cases, the data is sorted into the required formats. These reports generated on request and initiated through a parameter entry screen. The Claims Monthly Performance job is called **CLAIMMP.** There are three detailed reports and five summary reports are produced to serve management requirements.

Reinsurance Treaty Recovery Bordereaux detail report
For each treaty account, the report lists the individual claims together with the gross paid amount and treaty share. The report sorts these information by major class, risk type and treaty account.

Claim Movement Detail Report
This report lists the payment and outstanding balance movement of each claim transaction. The report is sorted by major class, policy type, and claim number. For each claim, information like the report date, loss date, insured name, risk type, transaction type is provided. In addition to these, the last outstanding balance, paid amount (if any) and revised outstanding balance for each transaction/movement is provided.

Claim Movement Summary Report
This report summarises for each major class and policy type, the payment and outstanding balance movement by gross, treaty and facultative reinsurance.

Claim Movement Summary Report by Year of Loss
This report provides a summary of the outstanding balances by major class, year of loss and underwriting year. For each combination, the number of claims, gross amount, total reinsurance recovery amount and net incurred amount is shown.

Claim Movement Summary by Transaction Type
For each major class, the report summarises by transaction type the number of claims and the gross, treaty and facultative reinsurance paid amount, outstanding balance amount and incurred amount.

Claim Payment Register Detail Report
This report lists all claim payments and cash recovery transactions for the accounting period. Information is sorted by major class, policy type and claim number. For each transaction, basic claim information like report date, loss date, agent number, loss description, claim status, transaction date and type is provided. The payment and recovery amounts are broken down by gross, treaty reinsurance recovery, facultative reinsurance recovery and net amount.

Claim Payment Summary by Year of Loss
This report provides a summary of the payment and recovery amounts by major class, year of loss and underwriting year. For each combination, the number of claims, gross amount, recovery amount by reinsurance type and net incurred amount is shown.

Claim Payment Summary by Underwriting Year
This report provides a summary of the payment and recovery amounts by major class, underwriting year and year of loss. For each combination, the number of claims, gross amount, recovery amount by reinsurance type and net incurred amount is shown.

8.10.4 Claim Facing Sheet

The Claim Facing Sheet which allows all essential claim information in a summarised form. This sheet is filed as the front page in the Claim File. A Claim Facing Sheet is printed whenever a claim transaction is passed against the claim and it will always contain the latest approved status of the claim take-up, conversion, registration or modification. Pending claim transactions and pending claim payments will not be reflected in the Claim Facing Sheet until it is approved or authorised.

The Claim Facing Sheet is printed on-line. The need to print the 'Claim Facing Sheet' is controlled through an indicator in the claim header labelled "Print Facing Sheet".

9. Debtors

Integral P&C's Debtor subsystem provides control over the monies due to/from the clients, agents, brokers and reinsurers. It is a sub-ledger facility maintained by individual debtor accounts which are identified as open-item or balance-forward. Each account is updated by processes which identify, extract and analyse relevant financial transactions such as underwriting (new business, renewals, endorsements, cancellation), reinsurance cessions, reinsurance claim recoveries, receipts, payments and premium journals.

The Debtor Subsystem is fully integrated with other relevant functions of Integral P&C, e.g. policy processing, agents, cash, etc. The subsystem recognises transactions generated by these subsystems which affect debtors accounts and actions them accordingly.

9.1 Debtor Enquiry

The Debtors On-line Enquiry provides up-to-date information for a given account or accounts. This allows a business to instantly review the status of a debtor for its own needs and for outside queries. There are two types of enquiry offered:

Ledger Enquiry
All transactions for the Debtors account including married items are displayed, as updated by the latest Debtors Reconcile and Post. To assist in answering queries concerning the account, filter fields have been provided to enable a user to quickly isolate transactions for a particular policy, clients or those in a particular currency. If more information or a number of transactions is required, the user may select one or multiple statement lines.

Balance Enquiry
The balances of the Debtors account by currency are displayed. The screen displays the currency code, and the current balances in the Original and Ledger currencies. If more details are required, the Debtor Balance Enquiry screen, which shows an aged breakdown, commissions due, etc. can be displayed for the selected currency.

From this screen, the user may accurately assess the credit situation of the Debtor's account. Note that the figures displayed are up to the last rollover.

9.2 Debtors Post and Reconcile

The Debtors Post and Reconcile batch subsystem (P1DBTPOST) is responsible for reconciling Debtor accounts and posting new transactions to the Debtors Ledger and Unreconciled Cash files (STMT and UCSH).

The transactions posted to the Debtors Ledger originate from the following on-line and off-line systems:

On-line
- Cash Posting Account Credits
- Cheque Posting Account Debits

Underwriting functions:
- Premium Posting Debits

- Premium Journal Debits
- R/I Ceded Premium Credits
- R/I Premium Journal Credits
- Agent and Overriding Commission Credits
- R/I Claim Recovery Debits

- Portfolio Trans Journal and Transfer transactions

Off-line

- Renewals as for Underwriting
- Billing as for Underwriting
- Direct Debits Payment Credits and Dishonour Debits

The batch process for Debtors Reconcile and Post extracts all relevant transaction batches, as specified in the extract rules for the Batch Job. Prior to posting to open item accounts, at least one automatic reconciliation (marry) is attempted, governed by the controlling Table entries for the relevant Transaction Type. The marry methods available for open item accounts include:

- Agent Balance of Account
- Whole of Policy
- Item by Item (policy)
- Item by Item (agent)
- Arranged (fake) marry for Direct Debits

The above methods can, in theory, be used for any type of incoming transaction. In practice, not all marry methods are applicable to certain incoming transactions. The decision criteria for marrying are held in the Debtors Marry Methods Table (T3601), where the user defines which marry methods an incoming transaction should use, the sequence in which they should be performed and any tolerances permitted.

Every transaction entering the system may trigger an attempt to reconcile (marry), e.g. cash will search for premium and premium will search for cash. Thus, the system will easily handle 'cash driven' business as well as credit business because the cash does not have to wait for the premium debit or vice-versa.

The incoming transaction is always posted to its account. When a marry is attempted, taking into account any tolerance factor allowed, the items involved in the reconciliation and the incoming transaction are all flagged to indicate when, where and how the reconciliation (marry) took place.

The length of time for which married items are retained on the Debtors Account is controlled by the Debtors Control Table (T3603) entries. The Debtors end of period Rollover function is responsible for deleting married items past the specified age from the account.

Transactions against accounts which have been designated as Balance Forward accounts are posted directly to the account, e.g. accounts for facultative reinsurer account are normally created as Balance Forward accounts. The length of time before such items are consolidated into the brought forward balance for the account is specified in a Table.

The system also maintains a Debtors Control Account and a Tolerance Account for each Branch. A report on all unmarried transactions is produced.

The reconciliation and posting phase of the Debtors system may be run as often as required during a particular accounting period as well as at period end. The on-line statement enquiry will display accounts as they stand after the most recent Debtors Post and Reconciliation run.

9.3 Debtor Account Reconciliation

There are some situations, however, when it is not possible to perform the reconciliation automatically. These include:

- reconciliation of foreign currency transactions
- where a number of debits and credits are to be offset against each other
- where cash receipt precedes the corresponding debit

The on-line reconciliation facility allows account reconciliation where the automatic off-line attempts have been unsuccessful.

The receipt/payment items to be reconciled are selected from the enquiry screen, which displays all unreconciled transactions for a particular account. The system then calculates the "balance" of the Debits and Credits selected and displays this on the Manual Reconciliation screen as the amount to be allocated during this process, by one or more of the three reconciliation methods outlined below.

When the total of reconciled transactions is equal to the balance to be reconciled, the transactions are processed and flagged as married, either Gross or Net of Commission depending on the Account Type. These transactions are then posted to the Debtors Ledger (it is not necessary to wait for the next Debtors Post and Reconcile batch job to see the effect of a manual reconciliation).

The cash records are deleted if they are reconciled in full or are rewritten with the portion of cash remaining, with the additional cash record written to the ledger as the amount reconciled. Non-zero tolerances are journalled and posted to the appropriate accounts by the General Ledger Update batch run.

The Debtors Manual Reconciliation Adjustment Screen provides the facility to adjust those transactions selected for reconciliation by any of the following procedures:

- Adjustment. This allows the addition of a new line to the Debtors Statement to effect reconciliation of selected transactions.

- Tolerance. To effect reconciliation of selected transactions which failed the usual marry routines, by writing off any discrepancy.

- Exchange Profit/Loss. To effect reconciliation by posting to the General Ledger any variation caused by fluctuation in exchange rates for "other" currency transactions.

A manual reconciliation of the selected transactions can be achieved by using any combination (including all) of the options detailed above, i.e., they can select a number of items, make an adjustment, write off some tolerance and create any profit/loss on exchange rate fluctuation, all in one screen transaction.

Reconciliation is only processed once the Manual Reconciliation Adjust and Post (SR312) screen has been successfully completed, i.e. the sum of the amount to be reconciled and those entered in the various sections equals zero. If, at any stage of the transaction, the Exit Function is clicked, all transactions entered since the last Debtors Reconcile menu screen was processed will be aborted and the relevant debtors account details will be unchanged.

It is to note that an adjustment does not cause movement in the General Ledger and no G/L journal will be created.

9.4 Debtor Rollover

This Debtor Rollover is a house-keeping job run at the end of every accounting period. This subsystem is separated from the Statement and Report functions so that the reports may be produced and checked before the debtors ledger is closed off for the relevant accounting period.

Since this process involves the rollover of balances and deletion of completed transactions, it is critical that it is not done unless the Statements and Reports have been verified correct.

As Debtors Accounts are rolled over, the ageing of transactions and account balances is user controlled via the Debtors Ageing Table (T3602). Once reconciled, STMT records are deleted in accordance with the user defined rules held in the Debtors Control Table (T3603).

The batch rollover and deletion process is normally run on a monthly basis and it should be noted that the accounting period to be rolled over must be closed in the Accounting Period Table (T1698).

Once an accounting period has been rolled over, the Debtors Control Table (T3603) is updated to reflect this fact. The "last period rolled over" is used in subsequent Debtors processing, i.e. it defines the next Statement/Report parameters.

9.5 Debtor Statement

Debtor statements are the fundamental means for credit control in any business and they are produced for every accounting period. Integral P&C provides the facility to produce debtors statements at any time by the P1DBTSTMT Debtor Statement batch job, whether it is end-of-period, or there is a need to review the company's debtors position at any time during an accounting period.

The system provides for three types of statement: Agent statement, Commission-only Agent Statement and Client Statement. A flag on the Agent record defines which, if any, of the statements are required for a particular account. The statements provide a consolidated report of the debtors trading.

The information is as at the statement date, which is selected when the batch job is submitted. Thus, an accurate financial status of debtors can be established at any time during the accounting period.

The accounting method for a debtor may be open-item or brought-forward. This enables the accounting method to be tailored to individual insurance company requirements rather than a system constraint determining what detail will be shown on the statement.

The system provides flexibility in what appears on the statement. The description of each line which appears on the statement (open-item accounts only) is specified in the Sub Account Types Table (T3695), depending on the type of transaction being reported.

The decision whether or not to print details of married Debtors transactions is part of the selection of run parameters for the batch job and therefore may be varied from period to period depending on company requirements

It should be noted that no statements are printed for nil-balance, no movement accounts and ageing of outstanding balances are performed during the P1DBTSTMT Debtor Statement batch job.

9.6 Debtor Report

Debtor reports are the fundamental means for credit control in insurance business and they are produced for every accounting period. Integral P&C provides the facility to produce debtors reports at any time by the P1DBTREPT Debtor Report batch job, whether it is end-of-period, or there is a need to review the company's debtors position at any time during an accounting period.

P1DBTREPT Debtor Month End Reports batch job produces the Aged List of Outstanding Balances and the Debtor Ledger Transaction Listing. Via the batch job parameter screen, the user can choose to produce both Debtors Reports, i.e. the Aged List of Outstanding Debtors Balances and the Debtors Ledger Transaction List, or one of these reports in isolation.

The report(s) can be produced for all Account Types or a specific Account Type. If a specified Account Type is selected, the report can be further focussed by selecting a specific Account Number. If no Account Number is input, all Accounts of the Type specified will be reported on

The aged debt analysis is performed at the end of the accounting period. The system calculates five outstanding balances for each account. The five outstanding balances are for one month (being the current month), 1-3 months, 4-6 months, 7-12 months and over 12 months. The balances are re-calculated at the end of each accounting period.

The user specifies the ageing process used for each transaction type and for Debit and Credit occurrences of that transaction, i.e. whether to age the transaction according to its due date, or treat it as a miscellaneous item and apply it to the newly calculated outstanding balance, starting with the oldest.

10. Batch Processing

10.1 Introduction

The first part of this note will explain the base system batch jobs with a note of relevant programs and tables called or referenced by the batch programs together with any comments on run dependencies. The second part will show a typical batch schedule for a general insurance company

Most batch jobs can be run as often as required however, some have an impact on the on-line system and should only be run outside the normal business day when the system is inactive. Most batch jobs need to be completed satisfactory before they can be run again. In some cases this is not true and the rules for batch job schedule and processes can be defined by the user in the Run Dedicated area of the individual batch job definition.

A job that updates files must complete properly, for example General Ledger Update, GLPOLISY. However, a report type Batch Job that does no updating can be submitted into the batch queue without any dependency on the success of the previously submitted job, for example, General Ledger Unlinked Report, GLUNLNK.

The batch jobs listed below may not be delivered in exactly the same naming convention as these batch job names can be amended should the General Insurance Company feel that they should have a more appropriate name. In addition to this the current batch schedule definitions will have a prefix of #x, # for the Product used and x being the Company numbering practice. For example CSC has nominated 'P' for Polisy Product and Company 1 for the Integral P&C application. Therefore, the system batch job reference when will be P1AGTPERF. What are important are the program processes and not the batch name.

10.2 Schedule Submission

If the user is authorised to perform batch jobs, then from the Main Menu “Batch Processing” is available for selection. From “Batch Processing”, click on "Schedule Submission". The Schedule Submission screen is used to select Batch Schedules for submission to a job queue.

Each schedule has a Transaction Code to which the user must be authorised in order to submit the schedule. Only those schedules which a user is authorised to run are displayed.

If a Job is required to be run for a date other than the current system date, change the Effective Date at the top of the screen to the required date.

The Branch, Company, User, Accounting Month and Year are displayed for information only. Note that the accounting month/year may need to be changed if a different Effective Date is entered.

If no parameters are required for the Job to be run, a message will be displayed at the bottom left panel of the screen to indicate that it has been submitted. If parameters are required, a parameter screen will be displayed.

If a parameter screen is used, the next screen to be displayed would be the parameter screen otherwise a message that the job has been submitted will be displayed.

10.3 Base System Batch Jobs (In Alphabetical Order)

10.3.1 F9AUTOALOC Auto Number Allocation for Company 9

This batch job will automatically allocate numbers, policiess, receipts, agents, to the ANUM file according to the parameters set in the Auto Number Allocation Table (T3642). It is advisable to keep the number packets topped up so that numbers are not exhausted at any time during a working day. It is suggested that this batch job be completed out of business hours on a monthly basis as part of the Computer Operations housekeeping routines.

10.3.2 P1AGTCOM Auto-Generate Agents Commission Requisition

This batch job automatically generates payment requisition for commission due to the agent. The requisition type is defaulted to Direct Credit if the agent's bank account is set up in Direct Credit Bank Account for bank code specified in Account Maintenance. Otherwise it will default to Automatic Cheque. The user is allowed to change the default setting.

The user will then have to manually authorise every requisition via payment subsystem. This will provide the user the flexibility to change the payment information before it is issued if required.

The automatic agent commission process will only carry out if:

- The schedule restart method is '2'
- The Debtor Rollover job has been completed
- The schedule has not been submitted for the current accounting month and accounting year.

It will produce two reports:

- BR298 - This report prints all successful payment requisition created
- BR299 - This report prints all unsuccessful requisition errors.

10.3.3 P1AGTPERF Agent Performance All Branches

This job produces the Monthly Agent Performance Report. The Monthly Agent Performance report reflects the current-month and year-to-date figures for the major classes.

This job can be run any time but if it is important to have the most up to date information then obviously these should be run after the SDS Update batch job SDSUPDT.

10.3.4 P1AGTSTAT SDS Agent Statistic by Account Year

This job produces the Account Statistics by Underwriting Year report. The report reflects year-to-date amount for the five previous accounting years.

This job can be run any time but if it is important to have the most up to date information then obviously these should be run after the SDS Update batch job SDSUPDT.

10.3.5 P1AUTOALOC Auto Number Allocation Company 1

This batch job will automatically allocate numbers, policies, receipts, agents, to the ANUM file according to the parameters set in table T3642. It is advisable to keep the number packets topped up so that numbers are not exhausted at any time during a working day. It is suggested that this batch job be completed out of business hours on a monthly basis as part of the Computer Operations housekeeping routines.

10.3.6 P1AUTORENW Automatic Renewal

This job is used to automatically renew policies of private motor, fire, personal accident, liabilities and all risk screens which have the renewal types of 'M5' or '05'. Policies successfully processed will be renewed, with the status flag set to 'IF' and the necessary set of records created.

Not all products are auto-renewable currently. If the client's status is blacklisted for either 'Country blacklisted' or 'Company blacklisted', the policy will not be auto-renewed and an appropriate error will reflected

10.3.7 P1BILING Policy Instalment Billing

There are 3 main processes relating to Instalment billing for POLISY/SEA. This is the primary billing batch job. It selects and processes policies which are due to have an instalment bill. Policies with instalment bills being generated in this process will have a new Billed To Date and ZTRN records are generated.

This job should be submitted regularly for raising premium instalment bills and for creating financial transaction for reinsurance instalment if the reinsurance payment method is 'Follow premium'

The parameter screen S8411 is used to submit this batch job so that, if required, a single policy or a range of policies can be used.

10.3.8 P1BRNPERF SDS Branch Performance Report

This job produces the Branch Performance Report. The report provides branch underwriting and claim analysis at major class level for the current month. Year-to-date figures and coinsurance categories are included in the report.

This job can be run any time but if it is important to have the most up to date information then obviously these should be run after the SDS Update batch job SDSUPDT.

10.3.9 P1CASHLIST Cash Report

This job reports on the Cash Receipts processed through the system and if required will produce actual receipts for the clients of moneys entering the system. It also produces a Bank Deposit listing that has been designed to be run whenever it is required to bank money that has been received. This listing is intended to be used to

balance the payments received against the cash and cheques. This job also produces a Cash Book List that is a list of moneys received by either method, Banked Receipt or Receipt to be Banked.

This job may be run daily, twice a day, every second day, etc. You must ensure that when this batch job is run that policies and receipt are not being issued as these transactions reference the receipt file and can cause "soft locks". It is suggested that this job is run during the lunch break or if not convenient then disallows the user to use the system (i.e. system is "quiet") until the job has completed successfully

10.3.10P1CHQLST Auto Cheques Update/Report

In the base system there is offered an automatic machine cheque production system. To be able to keep a track of the machine cheques used then there has to be a control and this batch job is that control. The batch job P1CHQPRN1 will extract all payments from the CHEQ file and the output from this job is needed as the parameters for this batch job.

This job should be run after P1CHQPRNnn and when the system is inactive.

10.3.11P1CHQPRNnn Auto Cheques - Bankcode nn

The base system supports automatic generation/printing of machine cheque. To be able to keep a track of the machine cheques used then there has to be a control and this batch job is that control. This batch job, P1CHQPRN1, extracts all payments from the CHEQ file and the output from this job is needed as the parameters for the batch job.

10.3.12P1CLAIMMP Claims Monthly Performance

This batch job collected and analysed all monthly transactions on claims and sorted them into the required format to produce the three detail reports and four summary reports by year of loss, transaction types and underwriting year on claims movement and payment for management reporting requirements.

The parameter screen S4167 is used to submit this batch job with an option to determine which of the Claim Monthly Performance Reports will be produced. This job can be run any time but usually at month-end

10.3.13P1CLAIMOS Claims Monthly Outstanding

This batch job extracted and analysed all outstanding claim transactions and sorted them into the required format to produce the two detail reports and three summary reports by year of loss, transaction types and underwriting year on outstanding claim for management reporting requirements.

The parameter screen S4113 is used to submit this batch job with an option to determine which of the Claim Outstanding Reports will be produced. This job can be run any time but usually at month-end after the DEBTPOST is run.

10.3.14P1CLMLETT Claims Letter Print

This batch job performs the selection and printing of various types of claims letter to insured, claimant and reinsurers at different stages of the claim processing cycle. When claims transactions are posted, batched records on PTRN are created. Selected PTRN batches are extracted and processed by the CLMLETT batch job to produce the claim letters. The letters are printed in Letter-type / Addressee Client / Claim Number / Claim Transaction Number sequence within Branch.

This job should be run daily and to be run when the on-line system is inactive.

10.3.15P1CLMRVW Claims Due For Review Report

This is a batch schedule which will be used for generating all claims that fall within the specified review date range. It will extract all eligible claim transactions for the specified claim review date

10.3.16P1CMNFURPT Claim Notification Follow Up

This batch job extracts all Claim Notification with status 'AC' (Active) and with follow up date less than the date entered in the parameter screen and produces the Claims Notification Follow-up Report. This report is used to track the notifications that are pending conversion to claim or not rejected.

ACTIVE claim notification refers to status which are NOT converted or rejected / declined.

10.3.17P1CNCANRPT Cancelled Cover Note Report

This process selects the Cancelled Cover Notes and stores this in the Cover Note Cancelled Extract file (CNCXPF) for producing Cover Note Cancelled Report. Depending on the job parameters passed, this process allows selection of cancelled cover notes with cancellation reason and with or without lost advertising date. This report selects any cancelled cover notes which were from the extract file CNCXPF.

10.3.18P1CNDISRPT Cover Note Discrepancy Report

This report selects any cover notes with discrepancy from the Cover Note Discrepancy Extract file (CNRXPF) and lists them in To branch, Cover Note Agent Number and Book Number sequence. Each Branch will start on a fresh page and a total of the notes with discrepancies are printed for the Agent/Branch.

Discrepancy Checks/ Output Messages shown are:

- Cover Note Not Issued Yet
- CN Not Returned/Not Updated Yet
- Cover Note Has Been Cancelled
- Agent Numbers Do Not Match
- Vehicle Numbers Do Not Match
- Inception Dates Do Not Match
- Expiry Dates Do Not Match
- Sum Insured Does Not Match
- Policy Type Does Not Match

10.3.19P1CNEXCEPT Cover Note Exception Report

This process selects any Cover Notes which are Backdated, Expired and/or Out of Sequence from the Cover Note file (COVNPF) to be written into the Cover Note Exception Extract file (CNEXPF) for subsequent report printing.

- Backdated - when Cover Note Issue Date is after the Policy Inception Date.
- Expired - when Cover Note Issue Date is after the Cover Note Book Expiry Date.
- Out of Sequence - when the Cover Note Issue Date is earlier than the issue date of a prior cover note within the same book.

Note that one cover note may fall under a combination of exceptions.

10.3.20P1CNLOSADV Cover Note Loss To Be Advertised

This process produces a list of Cover Notes which have to be Loss Advertised. The cover note records selected must all have 'C06' as their Cancel Reason Code and zero (0) for the Date Advertised.

10.3.21P1CNOTPRT Cover Note Printing All Branches

At the cover note issue stage, schedules are usually printed on-ling. If the user/company selects to print the cover note schedules in batch mode, this batch job extracts all unprinted cover note schedules and prints these (schedule). After the schedule is printed, the PTRN record print flag will be updated to 'BT'.

10.3.22P1CNRIAPL Cover Note R/I Application

This process extracts cover note Policy Transaction History (PTRNs) for use by the Cover Note RI Application Print routine (CNRIAPL) which prints R/I applications for cover notes.

New and endorsed cover note numbers are extracted using PTRN and applications are produced for any facultative reinsurers which have been assigned to a risk of the cover note.

10.3.23P1CNRMNDR Cover Note Reminders

The batch process will read the policy header file for cover notes to see if cover note reminder notices (transaction code B423) have been printed. If 2 reminders have been printed, the process will not print a cover note reminder. If no reminder has been printed yet, a '1st Reminder' will be printed else a '2nd Reminder' will be printed. Lapsed cover note policies will not be processed.

10.3.24P1CNSTAT Client Statistics Report

This batch process provides a report showing the year-to-date performance analysis of a client for the specified accounting period. The report summarises for each line of business the gross premium, earned premium, commission, discount, paid claim, incurred claim, etc. For the report to show the latest figures/statistics, the SDSUPDT job should be completed to process all transactions to-date.

10.3.25P1COSSRMDR Coinsurer Reminder

This batch job produces the Coinsurance Signing Slip Reminder notices to be sent to the outward coinsurer as a follow-up reminder after the policy is issued for certain number of days specified by user. This job should be run daily and it is advisable to be run as day-end job when the on-line system is inactive.

10.3.26P1CVNOTST Cover Note Statistics

This batch process extracts transactions from Policy Transaction History file (PTRNPF) to create the Cover Notes Statistics report (R4276). The report contains the number of cover note issued and total cover note sum insured issued this month and year-to-date as well as the number and total sum insured of cover notes lapsed this month and year-to-date.

10.3.27P1DBTPOST Debtors Post and Reconcile

This job can be run as often as required during a particular accounting period as well as at period but is recommended to be run daily in order to have the latest debtor position. This job will extracts transaction batches to post to the Debtor Ledger (STMT) and Unreconciled Cash (UCSH) files in accordance with the item B2329 in table T1697. Once extracted these batches are "flagged" as having been processed so they are not selected again to avoid duplicate posting for the month. During the run and prior to posting to the open-items accounts, the "auto-marry" process attempts to reconcile agent and reinsurer accounts using reconciliation methods like "agent balance of account", "whole of policy", "item by item in policy" or "item by item in agent". One or several methods may be used depending on the set up for the transaction type in T3602. Please refer to the section on Debtor Post and Reconcile procedure where the processes are explained in more details.

Due to the sensitivity of this data, this job should only be run when the on-line system is inactive.

10.3.28P1DBTREPT Debtors Month End Reports

This job produced the Aged List of Outstanding Balances and the Debtor Ledger Transaction Listing. Via the parameter screen, the user can choose to produce both Debtors Reports or one of these reports for all Account Types or a specified Account Type or Number.

This job can be run as often as required during a particular accounting period as well as at period end but it must be run after DBTPOST and DBTSTMT.

10.3.29P1DBTROLL Debtors Rollover

This batch job is a house-keeping job run at the end of every accounting period. This process involves the rollover of balances and deletion of married transactions in accordance with the user defined rules held in the Debtors Control Table, T3603.

The job is run on a monthly basis and it should be noted that the accounting period to be rolled over must be closed in the Accounting Period Table, T1698.

Due to the sensitivity of this data, this job should only be run when the on-line system is inactive.

10.3.30P1DBTRPT2 Debtors Aging (Offset) Report

This batch process generates the combined Aged List of Outstanding Balances and Debtor Ledger Transaction Listing for Integral P&C and Integral Group agents/brokers. For accounts which have both P&C and Group business with the insurance company, the aging of outstanding balance is after netting off the outstanding general insurance and group transactions.

This job can be run as often as required during a particular accounting period as well as at period end but it must be run after DBTPOST and DBTSTMT. This job is for insurance companies using both Integral P&C and Integral Group.

10.3.31P1DBTSTMT Debtors Month End Statement

This batch job produces three types of statement namely Agent statement, Commission-only Agent Statement and Client Statement. This job requires a parameter to be entered whether to print details of married Debtors transactions and for all Account Types or a specified Account Type /Number.

This job can be run as often as required during a particular accounting period as well as at period end but it must be run after DBTPOST to have the latest debtor information.

10.3.32P1DCnn Direct Credit Extract – Bank nn

This process is in two stages. One is the extraction of all the payments from the Requisitions file (CHEQPF) with the relevant pay method. The second stage is to transfer this information to the tape for delivery to the factoring house and eventually crediting the client's bank accounts. The tape format is in the style required by the UK Banking authority BACS. This batch job should be run outside the normal working day.

10.3.33P1DCREDITn Direct Credit Extract – Banknn

This program will read the requisitions file (CHEQPF) to extract valid payments for direct crediting to bank accounts. The job produces the payment extract file (DDBTPF) for the valid payments that the bank will process. In addition, a report listing the details of the payments extracted is also generated.

The Bacs transaction code for direct credits is '99' and the Contra transaction code is '17'.

10.3.34P1DDAEX1 1st Rejection And Exception Report For Policy

This batch job produces the rejection letter extract file (DDAAPF) and exception report extract file (DDABPF) for policies based on the 1st rejection date and 2nd rejection date in Direct Debit Approval / Reject Details file (BDDAPF).

10.3.35P1DDAEX2 Approval Letter For Polis\cy

This batch job produces the approval letter extract file (DDACPF) for policies based on the approval date in Direct Debit Approval / Reject Details file (BDDAPF).

10.3.36P1DDAEX3 Notice Of Cancellation For Policy

This batch job produces the notice of cancellation extract file (DDADPF) for policies based on the policy cancellation date.

10.3.37P1DDAPLYnn Direct Debit Apply for Factoring house nn

This batch job is very similar to P1DCREDITn the difference being that the information transferred to the tape is amounts to be debit from the clients' accounts. The tape is passed to the Factoring House for processing. It is important to note that the base system for the Direct Debit policies assumes all premiums will be collected and generates the appropriate accounting movement in the Subsidiary Account Movement file (ACMV). Therefore, any dishonours will need to be entered into the system on a case by case basis.

The batch job should only be run when the system is "quiet"/inactive.

10.3.38P1DDnn Direct Debit Extract – Bank nn [nn = factoring house code]

Refer to 9.4.39 P1DDAPLYnn.

10.3.39P1DIOPRMSM Summary of D-I-O Premium Report

This batch job extracts all underwriting related transactions for the policies for the requested accounting month and produces a report summarised by premium major class, fund, account class and account type. This report aims to help finance user to reconcile the various GL accounts against the underwriting transactions. This batch job is to be run at the end of each month and suggested to run in overnight run.

10.3.40P1DISHnn Batch Dishonour for Factoring House nn

This batch job is for the processing of Payments collected by Direct Debit require to be recorded as dishonoured. Dishonours will only complete a representation and not a reversal. Dishonour processing has two stages. The first part is to register the dishonour, which is an on-line transaction; the second part is the actual processing required which takes place in this batch job.

As this is a processing type batch job it will need to be run overnight when the system is "down".

10.3.41P1GLBALST GL Balances

This job requires a parameter to be entered normally the Trail Balance or Profit & Loss Account. The report will list all entries for the entered account number and all those accounts linked below it in the Chart of Accounts. It will display this information showing current month to date and year to date actuals together with last year to date results.

As this job does not process any information it can be run at any time.

10.3.42P1GLBOOK General Ledger Book

No parameter is provided for this report as it merely extract those transactions for the month (as in Batch Submission Submenu) which have been created during the previous GL update. This report will always be on an "AS AT" basis for the month & it has to be **after ALL transactions have been posted to the GL** via the Batch Job, PGLPOLISY.

10.3.43P1GLCMPST GL Comparison Statement

General Ledger Comparison Statement enables you to obtain a hard copy of any account figures to compare to the corresponding budgets or last year's performance, etc. As this report is a read only and therefore, does not complete any processing it may be run at any time.

10.3.44P1GLEXPLR GL Explosion Report

This report requires that a valid General Ledger account is entered at the parameter screen and all accounts below that account in the Chart of Accounts are listed showing the relationship. This batch job can be run at anytime.

10.3.45P1GLEXPSL GL Expense Sub-Ledger Report

The General Ledger Expense Sub Ledger Report is run on accounts specified in the Expense Sub-ledger Account Group table (T3669). The report lists all the activities in accounts specified and all accounts linked below the account within the chart of accounts. This report is designed to report on Expense type entries.

Again as this report does not complete any data processing and is just a report it may be run at anytime.

10.3.46P1GLIMPLR GL Implosion Report

General Ledger Implosion Report requests that a valid General Ledger account be entered into the parameter screen and all accounts above that account are listed showing the relationship. This job can be run at anytime.

10.3.47P1GLROLL GL Year End Rollover

This job "Rolls Over" the accounts that have an appropriate balance forward flag. The GL account records for the new financial year shows the brought forward balance as the new opening amount in the account. For GL accounts with a Balance Brought Forward flag of Z, the job initialises the brought forward balance. This job requires an Appropriation Account be entered in the General Ledger Dissection Codes table (T3698) item ****GL.

The job is run at the end of the financial year and can be run any number of times. However, it is strongly suggested that this job is not run until the on-line system is inactive.

10.3.48P1GLUMTPRT GL Unearned Matrix Report

This program reads through the General Ledger Unearned Matrix File (GLUM) and produced a 5 year matrix of unearned premiums. As this job does not process any data processing information it can be run at any time

10.3.49P1GLUNLNK GL Unlinked Accounts Report

This job extracts all the accounts that exist in the General Ledger, whether created manually or by batch run, which are not linked within the Chart of Accounts. The criteria are that Posting Accounts that are not linked to Summary Accounts are listed, as are Summary Accounts that do not have posting accounts linked below them.

This job can be run at anytime.

10.3.50P1GLYTDST GL Year to Date Statement

It lists transactions in the specified account, and any subsidiary accounts, for the current month and year. This job can be run as and when required.

10.3.51P1LAPSEDCN Lapsed Cover Notes

This batch job requires user to specify the number of months after the expiry of cover note to define data to be extracted. Only Cover Notes whose expiry date is less than the system date by this number of months will be included on the Lapsed Cover Notes report. This job can be run any time but usually at month-end depend on user's operation,

10.3.52P1MCLSTMT Master Client Statement

The batch schedule generates the Client Statement based on client hierarchy. For a selected client, the job extracts all the outstanding transactions for the client and its subsidiaries (lower level in client hierarchy).

This addresses situations when the Finance Department or Credit Control Department requires a consolidated outstanding premium status for a holding company and its subsidiaries or a group of related companies.

10.3.53P1NCDCNF NCD Confirmation Batch Printing

This batch job provides a parameter screen for selection to print all NCD Confirmation Letters (specified as Batch mode) and NCD Confirmation Report that fall between the specified data range. This is required to print the information in response to NCD requests received from other insurance companies or at insured request to confirm NCD on policies insured.

10.3.54P1NCDRQPRT NCD Request Reports

This batch job is used to follow up on outstanding NCD requests. A parameter screen is also provided for option to print NCD Request Letter for a specified date range, Outstanding NCD Request for a specified date range and a list of NCD that did not match for a specified date range.

10.3.55P1OSCLMRCY O/S Claims Recovery Report

This batch job generates a report that list all claims with expected/outstanding claims recovery.

10.3.56P1PAYOS O/S Payment

This report will list all the authorised and unauthorised outstanding payment requests. It will extract from the CHEQ file all payments with a status of RQ, Requisition and AU, Authorised. This is a read only report and therefore, can be run when the on-line system is active or inactive. The printing is sorted by user-id and requisition number.

10.3.57P1PAYRPT Processed Payment

This batch job extracts transaction records for all on-line payments and cheque batches and sorts this information into bank code, payment method, authorising user-id and requisition number.

10.3.58P1PDCHQPOS Posted Dated Cheques

This batch job extracts post dated cheques that are due and automatically posts these cheques as receipts in the system. The job also generates a report which lists all the post dated cheques processed, its details and corresponding receipt number in the system.

10.3.59P1PEXPREP Client/Policy Experience Report All Branches

This batch program reads through PEXP and prints all policies or only current policies for a requested Client. It also prints all policies with the specified policy type and loss ratio which is equal or greater than the loss ratio requested by the user. The batch job can be run as and when required.

10.3.60P1PREMMREG Premium Register Report (As At Version)

There is a requirement to provide management on information regarding monthly premium transactions classified under various categories. This batch job produces three main Premium Register for the policies and allows generation on a 'AS At' basis within the month. This job extracts transaction records from the ZTRN and writes to various output files which are then used to produce the premium registers sorted and summarised into account and transaction types reports. The three main premium registers produced are Premium Register Part 1 - Details Report, Premium Register Part 2 - Summary by Class, Type and Premium Register Part 3- Summary by Transaction Type. This job would be run as and when required.

10.3.61P1PREMREG Premium Register Report All Branches

This batch job basically is similar to the above batch job PREMMREG except_ that this batch job is to be run at the end of each month to accumulate monthly premium information as it will only extracts transaction records from the ZTRN for those records that have not been processed previously. This job will not produce accumulated figures for those processed transaction to update the month-to-date values.

10.3.62P1PRMREGR R/I Treaty Premium Register Report

There is a requirement to provide management on information regarding monthly reinsurance premium transactions classified under various categories. This batch job produces four main Premium Register for the policies and are allowed to be generated on a 'As At ' basis within the month. This job extracts reinsurance transaction records from the ZTRN and writes to various output files which are then used to produce the reinsurance premium registers sorted and summarised into major class, RI type and treaty reports. The four main premium registers produced are RI Premium Register Part 1 - Details Report, RI Premium Register Part 2 - Summary by Major Class, RI Type , RI Treaty Premium Bordereau Part 1- Detail Report and , RI Treaty Premium Bordereau Part 2- Summary by Treaty. This job would be run monthly or as and when required.

10.3.63P1PRMWTY Premium Warranty Report

This batch job allows the range for the number of days to be specified for which the premium is outstanding for the selected policies. Only policies whose policy type is specified with 'Premium Warranty Applicable' to 'Y' in T3681 are processed.

10.3.64P1PSCHPRT Policy Schedule print (Policy Schedule & Documents)

Policy Schedule Print All Branch. At the policy issue stage of a policy usually the schedules may be printed on line, but if it is to be printed at batch mode by user request then this batch job extracts all policy records of unprinted schedules which will have the print flag of spaces and to be printed in batch by policy number sequence. After the schedule is printed, the PTRN record print flag will be updated to 'BT'.

This batch job is run daily and suggested to run as end-of day job when the on-line system is inactive.

10.3.65P1PYPNDAUT Payment Pending Authorization/Authorized Requisition Report

This batch job when submitted shows a parameter screen which allows selection of either one or two of the reports; namely Payment Pending Requisition Report and Payment Authorised/Processed Requisition Report.

The Payment Pending Requisition report prints all the requisition pending Authorisation i.e. requisition pending approval (status 'RQ') or approved requisition pending authorisation (status 'AQ'). It is sorted by Requisition number.

The Payment Authorised/Processed Requisition Report shows all the requisitions that have been authorised or processed ('PR'). This includes cheques that have been processed by bank via E-banking function (status 'CQ').

10.3.66P1RENEWALS Renewal All Branches

This is the full policy Renewal run and can consist of eleven distinctive steps. Manual Review, Advance Renewal, Overdue Review, Predebit Renewals, Renewal Schedules, Expiry Notices, Declaration Required, Reminder Notices, Overdue Renewal, Auto Lapse and Lapsed /Cancelled Report This job would normally be

run daily but can be run at other intervals should the General Insurance Company so wish.

This process is in a modular format so each step can be "broken out" into separate batch jobs if required. In addition to this there is the ability by use of a parameter screen of selecting policies for this batch run. This gives the General Insurance Company the flexibility of updating an individual policy during the working day without affecting the rest of the database.

The individual programs within this batch job are explained in greater depth in the Renewal Processing area of the document.

10.3.67P1RIFOLLOW R/I Follow-up Printing

This batch process produces two reports namely the R/I follow-up reminder notices to be sent to the facultative reinsurer, and R/I Follow-up Overdue Report for the ceding company to serve as a follow up list for any action if required. This job is run monthly or as and when required.

10.3.68P1RTTYBORD R/I Treaty Bordereau

This batch process produces the Risk Bordereau report for the period selected. For each treaty account, the process lists risk-level details of policy administration transactions like the total sum insured amount, ceded percentage, ceded premium, RI commission, etc.

10.3.69P1SDSROL SDS Rollover

This batch job creates SDS records for a new accounting year. Carried forward figures for the current year are brought forward to the 'new year'. The parameter prompt screen SP151 allows the user to enter the Accounting Year from which the balances are to be rolled forward, and the number of years prior to the specified year for which records are to be kept. All records found prior to the period stated are deleted.

This job is run at the end of the financial year. It is suggested that this job is run when the on-line system is inactive.

10.3.70P1SDSUPDT SDS Post On-line Transactions

This batch process extracts financial transactions, creates SDS Accounts, accumulates the relevant statistical data and prints SDS Posting reports. This batch job is run monthly and suggested to run in overnight run.

10.3.71P1SERVTAX Service Tax Report

This batch process is used to extract the transactions that have service tax amount in the specified accounting period to produce the Service Tax Payable Report.

10.3.72P1STAMDUTY Stamp Duty Report

This batch process is used to extract the transactions that have stamp duty amount in the specified accounting period to produce the Stamp Duty Payable Report.

10.3.73P1TRANSTAT SDS Transaction Analysis

This batch process generates a report that summarises the gross premium, commission, coinsurance premium, ceded premium and net premium for each line of business and transaction combination. For the report to show the latest figures/statistics, the SDSUPDT job should be completed to process all transactions to-date.

10.3.74P1TRTYRPT R/I Treaty Report

This batch job produces 3 reports for reference namely R/I Arrangements in Force, R/I Arrangement details and Treaty details. As this job does not process any information it can be run at any time.

10.3.75P1TTYENDN Treaty Auto Endorsement

This batch schedule automatically endorses the policies after treaty arrangement properly set. The job identifies all the policies where policies have previous treaty arrangement '9999' and now with proper treaty arrangement. This batch job is expected to run only once a year. To differentiate from other endorsements, a standard endorsement reason code used for this auto treaty endorsement. There will be a parameter screen for the user to specify either a specific policy type or any exclusion.

10.3.76P1UNAPPR Unapproved Requisitions

This batch job provides a parameter screen for user to specify the requisition entry date range for which the requisitions are awaiting Approval. These requisitions are printed in the report. Machine cheques are separated from non-machine cheques. For each type of cheque, it is then sorted by Requisition number.

10.3.77P1UNAUTRP Requisitions Approved, Not Authorised

This batch job provides a parameter screen for user to specify the requisition entry date range for which the approved requisitions awaiting Authorisation are selected for printing. Machine cheques are separated from non-machine cheques. For each type of cheques, it is then sorted by Requisition number.

10.3.78P1UNBLINST Unbilled Instalments

The batch schedule generates an unbilled instalment report sorted by line (major class followed by policy type) and source of business. An option in the Billings Channel tables determines if the Debit Note (if required) is to be printed at the point of policy issuance or during batch billing process.

The un-billed instalments report facilitates reconciliation with the control account in the General Ledger.

10.3.79P1UNPRCHQ Unpresented Cheques Report

This report is in two parts; the first part will come in three versions. Print cheques in date printed order, latest first. A total line and a page break after seven days, then another page break after the first month and monthly thereafter.

The first version will show only those unprocessed cheques with a “large” value. This “large” amount is selected through a parameter screen. Version two shows only those unprocessed cheques, which were printed within or earlier than the entered accounting period. This will include cheques that are presented after the nominated accounting period. Version three will list all unpresented cheques irrespective of date or amount.

Part two is a summary report. This will print a one-page summary it has six lines and three columns. Lines are This Week, This Month, Last Month, 2 Months Ago, 3 to 12 Months Ago and Greater than 12 Months. The Columns are Small Amount, Large Amount and Total.

10.3.80P1VEHBKLST Blacklisted Vehicle Listing

This batch schedule will extract those motor vehicle whose blacklisted date falls on a given date range and a given blacklisted reason code and a report will be produced based on the motor vehicles extracted.

10.3.81PGLAUD GL Audit Report

This report extracts data created from the GLPOLISY, General Ledger Update or Posting Batch Job. The purpose of this report is to allow the user access to this information in a number of ways by completion of a parameter screen. Therefore, a number of Audit Reports can be processed against the same data file but extracting different combinations of data and displaying it in several different ways.

This job can be run any time but if it is important to have Audit style reports on the most up to date information then obviously these should be run the next business day after the General Ledger Update batch job GLPOLISY.

10.3.82PGLEARNPOL GL Auto Earnings/Accural -- Premium Class level

This batch job is run before the GLPOLISY batch job and will extract all underwriting amount, principally the premium for the 'earning' process. The subroutine 'EARNIE' is called and which will evaluate the earning method and based on the earning rules as defined in the GL Auto Earnings/Accrual Definition table (T2899) to split the premium across the accounting periods to which they relate and be recognised as “earned” when the relevant period becomes current. It produces and updates an earning matrix or profile for that premium. Upon completion of the earning matrix calculation, the unearned matrix file (GLUM) is updated and accounting records are written to the ACMV file by general ledger account, awaiting general ledger posting. The Unearned Matrix Calculation Audit trail is generated.

This job should be run when the on-line system is inactive.

10.3.83PGLEARNRL GL Earning Monthly Rollover

The batch job is run after the GLEARNPOL batch job and it will transfer the unearned figures from the unearned matrix file to be regarded as earned in the accounting period processed. These are done by applicable general ledger account

level. The resulting accounting movements are written as ACMV records for general ledger posting. This job should be run when the on-line system is inactive.

10.3.84PGLPOLISY General Ledger Update

This job can be run daily, weekly or monthly and will extract batches to post to the General Ledger accounts in accordance with the item B3610 in Batch Extract Rules table (T1697). Once extracted these batches are "flagged" as having been processed so they are not selected again. The extract information is restructured into GTRN's and then the amounts are posted to the General Ledger.

In addition this job will create balancing transactions, should a one sided entry enter the system and also create accounts should an account be used that is not set up in the Chart of Accounts. However, before the system can complete these actions certain information has to be entered into the appropriate tables and Chart of Accounts. Please refer to the section on General Ledger update procedures where these entries are explained in more detail.

Due to the sensitivity of this data this job should only be run when the on-line system is inactive.

10.4 Batch Schedule

The batch schedule below provides the suggested list of batch jobs for daily, weekly, monthly and yearly run. This list of jobs may change depending on the client's needs and is by no means exhaustive.

It is important to note that the sequence of the batch job submission is very important when there is a certain degree of dependency from each or several jobs.

The monthly schedule is the daily schedule plus monthly jobs and the quarterly schedule is actually the monthly schedule plus a couple of specific quarter's jobs injected at the appropriate sequence. Similarly, the yearly schedule is an 'expansion' of the quarterly.

Frequency	Schedules / Jobs Name	Job Description
Daily	F9AUTOALOC	Auto Number Allocation for Company 9
	P1AUTOALOC	Auto Number Allocation Company 1
	P1BILING	Polisy Installment Billing
	P1CASHLIST	Cash Report
	P1CHQLST	Auto Cheques Update/Report
	P1CHQPRN01	Auto Cheques - Bankcode 01
	P1CLMLETT	Claims Letter Print
	P1CLMRVW	Claims Due For Review Report
	P1CNOTPRT	Cover Note Printing All Branches
	P1CNRIAPL	Cover Note R/I Application
	P1DBTPOST	Debtors Post and Reconcile
	P1DCnn	Direct Credit Extract – Bank nn
	P1DDAPLYnn	Direct Debit Apply for Factoring house nn
	P1DDnn	Direct Debit Extract – Bank nn [nn = factoring house code]
	P1PAYOS	O/S Payment
	P1PAYRPT	Processed Payment
	P1PDCHQPOS	Posted Dated Cheques
	P1PREMREG	Premium Register Report All Branches

	P1PSCHPRT	Policy Schedule print (Policy Schedule & Documents)
	P1UNAPPR	Unapproved Requisitions
	P1UNAUTRP	Requisitions Approved, Not Authorised

Frequency	Schedules / Jobs Name	Job Description
Weekly	P1AUTORENW	Automatic Renewal
	P1CMNFURPT	Claim Notification Follow Up
	P1NCDCNF	NCD Confirmation Batch Printing
	P1NCDRQPRT	NCD Request Reports
	P1OSCLMRCY	O/S Claims Recovery Report
	P1RENEWALS	Renewal All Branches
Monthly	P1AGTCOM	Auto-Generate Agents Commission Requisition
	P1AGTPERF	Agent Performance All Branches
	P1AGTSTAT	SDS Agent Statistic by Account Year
	P1BRNPERF	SDS Branch Performance Report
	P1CLAIMMP	Claims Monthly Performance
	P1CLAIMOS	Claims Monthly Outstanding
	P1CNCANRPT	Cancelled Cover Note Report
	P1CNDISRPT	Cover Note Discrepancy Report
	P1CNEXCEPT	Cover Note Exception Report
	P1CNLOSADV	Cover Note Loss To Be Advert
	P1CNRMNDR	Cover Note Reminders
	P1CNSTAT	Client Statistics Report
	P1COSSRMDR	Coinsurer Reminder
	P1CVNOTST	P1CVNOTST - Cover Note Statistics
	P1DBTREPT	Debtors Month End Reports
	P1DBTROLL	Debtors Rollover
	P1DBTRPT2	Debtors Aging (Offset) Report
	P1DBTSTMT	Debtors Month End Statement
	P1DCREDITn	Direct Credit Extract – Banknn
	P1DDAEX1	1st Rejection And Exception Report For Polisy
	P1DDAEX2	Approval Letter For Polisy
	P1DDAEX3	Notice Of Cancellation For Polisy
	P1DIOPRMSM	Summary of D-I-O Premium Report
	P1DISHnn	Batch Dishonour for Factoring House nn
	P1GLBALST	GL Balances
	P1GLBOOK	General Ledger Book
	P1GLCMPST	GL Comparison Statement
	P1GLEXPSL	GL Expense Sub-Ledger Report
	P1GLUNLNK	GL Unlinked Accounts Report
	P1GLYTDST	GL Year to Date Statement
	P1LAPSEDCN	Lapsed Cover Notes
	P1MCLSTMT	Master Client Statement
	P1PEXPREP	Client/Policy Experience Report All Branches
	P1PREMMREG	Premium Register Report (As At Version)
	P1PRMREGR	R/I Treaty Premium Register Report
	P1PRMWTY	Premium Warranty Report
	P1PYPNDAUT	Payment Pending Authorization/Authorized Req'n Report
	P1RIFOLLOW	R/I Follow-up Printing
	P1RTTYBORD	R/I Treaty Bordereau
	P1SDSUPDT	SDS Post On-line Transactions
	P1TRANSTAT	SDS Transaction Analysis
	P1UNBLINST	Unbilled Instalments
	P1UNPRCHQ	Unpresented Cheques Report
	PGLAUD	GL Audit Report
	PGLEARNPOL	GL Auto Earnings/Accural -- Premium Class level
	PGLEARNRL	GL Earning Monthly Rollover

Frequency	Schedules / Jobs Name	Job Description
Monthly (cont)	PGLPOLISY	General Ledger Update
	P1SERVTAX	Service Tax Report (Malaysia)
	P1STAMDUTY	Stamp Duty Report (Malaysia
Quarterly	none	
Year-end	P1GLROLL	GL Year End Rollover
	P1SDSROL	SDS Rollover
Adhoc	P1GLEXPLR	GL Explosion Report
	P1GLIMPLR	GL Implosion Report
	P1GLUMTPRT	GL Unearned Matrix Report
	P1TRTYRPT	R/I Treaty Report
	P1VEHBKLST	Blacklisted Vehicle Listing
	P1TTYENDN	Treaty Auto Endorsement