

Guidewire BillingCenter®

BillingCenter Application Guide

RELEASE 8.0.4

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About BillingCenter Documentation

The following table lists the documents in BillingCenter documentation.

Document	Purpose
<i>InsuranceSuite Guide</i>	If you are new to Guidewire InsuranceSuite applications, read the <i>InsuranceSuite Guide</i> for information on the architecture of Guidewire InsuranceSuite and application integrations. The intended readers are everyone who works with Guidewire applications.
<i>Application Guide</i>	If you are new to BillingCenter or want to understand a feature, read the <i>Application Guide</i> . This guide describes features from a business perspective and provides links to other books as needed. The intended readers are everyone who works with BillingCenter.
<i>Upgrade Guide</i>	Describes how to upgrade BillingCenter from a previous major version. The intended readers are system administrators and implementation engineers who must merge base application changes into existing BillingCenter application extensions and integrations.
<i>New and Changed Guide</i>	Describes new features and changes from prior BillingCenter versions. Intended readers are business users and system administrators who want an overview of new features and changes to features. Consult the "Release Notes Archive" part of this document for changes in prior maintenance releases.
<i>Installation Guide</i>	Describes how to install BillingCenter. The intended readers are everyone who installs the application for development or for production.
<i>System Administration Guide</i>	Describes how to manage a BillingCenter system. The intended readers are system administrators responsible for managing security, backups, logging, importing user data, or application monitoring.
<i>Configuration Guide</i>	The primary reference for configuring initial implementation, data model extensions, and user interface (PCF) files. The intended readers are all IT staff and configuration engineers.
<i>Globalization Guide</i>	Describes how to configure BillingCenter for a global environment. Covers globalization topics such as global regions, languages, date and number formats, names, currencies, addresses, and phone numbers. The intended readers are configuration engineers who localize BillingCenter.
<i>Rules Guide</i>	Describes business rule methodology and the rule sets in BillingCenter Studio. The intended readers are business analysts who define business processes, as well as programmers who write business rules in Gosu.
<i>Contact Management Guide</i>	Describes how to configure Guidewire InsuranceSuite applications to integrate with ContactManager and how to manage client and vendor contacts in a single system of record. The intended readers are BillingCenter implementation engineers and ContactManager administrators.
<i>Best Practices Guide</i>	A reference of recommended design patterns for data model extensions, user interface, business rules, and Gosu programming. The intended readers are configuration engineers.
<i>Integration Guide</i>	Describes the integration architecture, concepts, and procedures for integrating BillingCenter with external systems and extending application behavior with custom programming code. The intended readers are system architects and the integration programmers who write web services code or plugin code in Gosu or Java.
<i>Gosu Reference Guide</i>	Describes the Gosu programming language. The intended readers are anyone who uses the Gosu language, including for rules and PCF configuration.
<i>Glossary</i>	Defines industry terminology and technical terms in Guidewire documentation. The intended readers are everyone who works with Guidewire applications.

Conventions in This Document

Text style	Meaning	Examples
<i>italic</i>	Emphasis, special terminology, or a book title.	A <i>destination</i> sends messages to an external system.
bold	Strong emphasis within standard text or table text.	You must define this property.
narrow bold	The name of a user interface element, such as a button name, a menu item name, or a tab name.	Next, click Submit .
<code>monospaced</code>	Literal text that you can type into code, computer output, class names, URLs, code examples, parameter names, string literals, and other objects that might appear in programming code. In code blocks, bold formatting highlights relevant sections to notice or to configure.	Get the field from the <code>Address</code> object.
<code>monospaced italic</code>	Parameter names or other variable placeholder text within URLs or other code snippets.	Use <code>getName(first, last)</code> . <code>http://SERVERNAME/a.html</code> .

Support

For assistance, visit the Guidewire Resource Portal – <http://guidewire.custhelp.com>

part I

Introduction

BillingCenter Functionality

This topic includes:

- “A Web-Based Billing System” on page 23
- “Commissions” on page 24

A Web-Based Billing System

BillingCenter is a comprehensive web-based billing and receivables management system. It is built on the core design principles of automation, control, and flexibility. The application automates the billing lifecycle and enables rapid integration with external legacy systems and third-party applications. It supports the design and implementation of flexible billing, payment, and delinquency operations and the management of agent commissions.

BillingCenter can also manage complex and customized billing arrangements, such as group, list, or mortgage billing and multi-payer or multi-location billing.

BillingCenter receives billing instructions from either Guidewire PolicyCenter or another external policy administration system (PAS) and determines the amounts due on a policy or account. It receives payments from customers and producers and manages payment distribution. It also handles commissions payable to producers. Although the policy administration system is the system of record for the account, BillingCenter maintains client data for billing purposes.

In addition, BillingCenter determines how to manage receipts, disbursements, audits, commissions, customer messaging, exceptions, and adjustments, and provides accounting system support. It supports accounts of all sizes and types, and integrates seamlessly with policy, lockbox, document management, document production, check writing, payment processing, and general ledger systems.

The following table describes the main components of BillingCenter:

Component	Description
Receivables Management	BillingCenter integrates with accounting and general ledger systems, and comprises the accounts receivable subsidiary ledger. Receivables management includes: <ul style="list-style-type: none"> • Tracking commissions, fees, and waivers. • Equity dating to avoid collections by canceling a policy at the right time. • Delinquency management and collection support.
Double-Entry Accounting Core	BillingCenter is built on a double-entry accounting foundation. BillingCenter records all transactions using a T-account system to insure proper reconciliation. See “Accounting Structure” on page 33 for details.
Work Management	BillingCenter is designed to manage all of the information a billing department needs to access and provide a single source of information about all financial transactions. Payment and billing plans, payment history, and amounts due are accessible at both the policy and the account level. Business rules allow you to model billing processes into a series of automated steps, freeing up billing clerks from manual processes to focus on more strategic initiatives. To minimize uncollected earned premium, a series of predefined delinquency actions are executed to cancel delinquent policies as necessary.
Commission Payable Management	Automated commission management produces accurate commission calculations and delivers timely, readable commission statements. The transaction screen shows each step of the commission earning process from commission reserve, to commission earned, to commission payable, to commission paid.
Legal Collections Management	BillingCenter automates the collections process and offers complete visibility into the status of each account. By setting up a collection agency as a type of account, you can easily track progress and apply payments to the appropriate policy.
Exception Handling	For discrepancies that cannot be immediately resolved, BillingCenter allows customer service representatives to create trouble tickets. The trouble tickets define which processing (invoicing, delinquency, collections, and so on) to suspend until the issue is resolved. Through trouble tickets and assignable activities, BillingCenter ensures the timely resolution of billing exceptions and issues. Trouble tickets and activities have due dates and can be escalated if not completed within the expected time.

Commissions

BillingCenter manages the entire process of computing and paying commissions to producers. It allows you to control the method by which a producer’s commissions are paid, how often, and when. It can be integrated with external payment systems to pay commissions by ACH transfer, by check, or by other means.

BillingCenter commission management gains much of its flexibility from its use of *commission plans* and *subplans*.

When you enter producer information into the BillingCenter database, you assign each producer one or more *producer codes*. Each producer code is associated with a commission plan. You can define any number of commission plans which specify different commission rates and other commission properties.

A policy can specify up to three producer codes for different *roles* which producers can have with respect to that policy: primary agent, secondary agent, and referrer. Each producer associated with a policy receives a commission determined for its role by the corresponding commission plan.

For example, a certain policy may specify one producer code (call it “PX”) for a primary agent, and another (“PY”) for a referrer. Producer code PX is associated with commission plan “CX,” and PY is associated with commission plan “CY.” The primary agent will be paid a commission on this policy according to commission plan CX’s commission rate for a primary agent. The referrer will be paid according to commission plan CY’s rate for a referrer.

A commission plan can have multiple *subplans* which apply to policies under different conditions. Each subplan specifies a primary, secondary, and referrer commission rate. This enables a carrier to pay a producer different commission rates on different products.

For example, when a producer writes a personal auto policy, the commission plan might apply a subplan that is limited to personal auto policies. When the producer writes a business property policy, the same commission plan might apply a different subplan that is limited to that product. The two subplans can specify different commission rates.

Subplans actually define several properties of the commission in addition to commission rates. Subplans specify whether commissionable charges include taxes or fees, or premiums only. They also specify when commissions are earned, for example upon policy issuance, upon billing, or upon payment received.

You can use subplans to apply different commission rates and other properties for:

- Different products, such as homeowners and personal auto insurance
- Different customer segments, such as small, medium, and large business
- Different quality accounts (excellent, good, acceptable, marginal, poor, and new accounts)
- New business, first renewals, second renewals, and so on
- Business in different jurisdictions (different nations, states or provinces, or other regulatory units)

BillingCenter also enables you to offer incentives to reward agents who meet certain performance goals, such as achieving a certain premium threshold or selling certain types of business.

Authorized users can override the commission rates for a specific policy.

See also:

- “Producers” on page 95
- “Commission Plans” on page 145

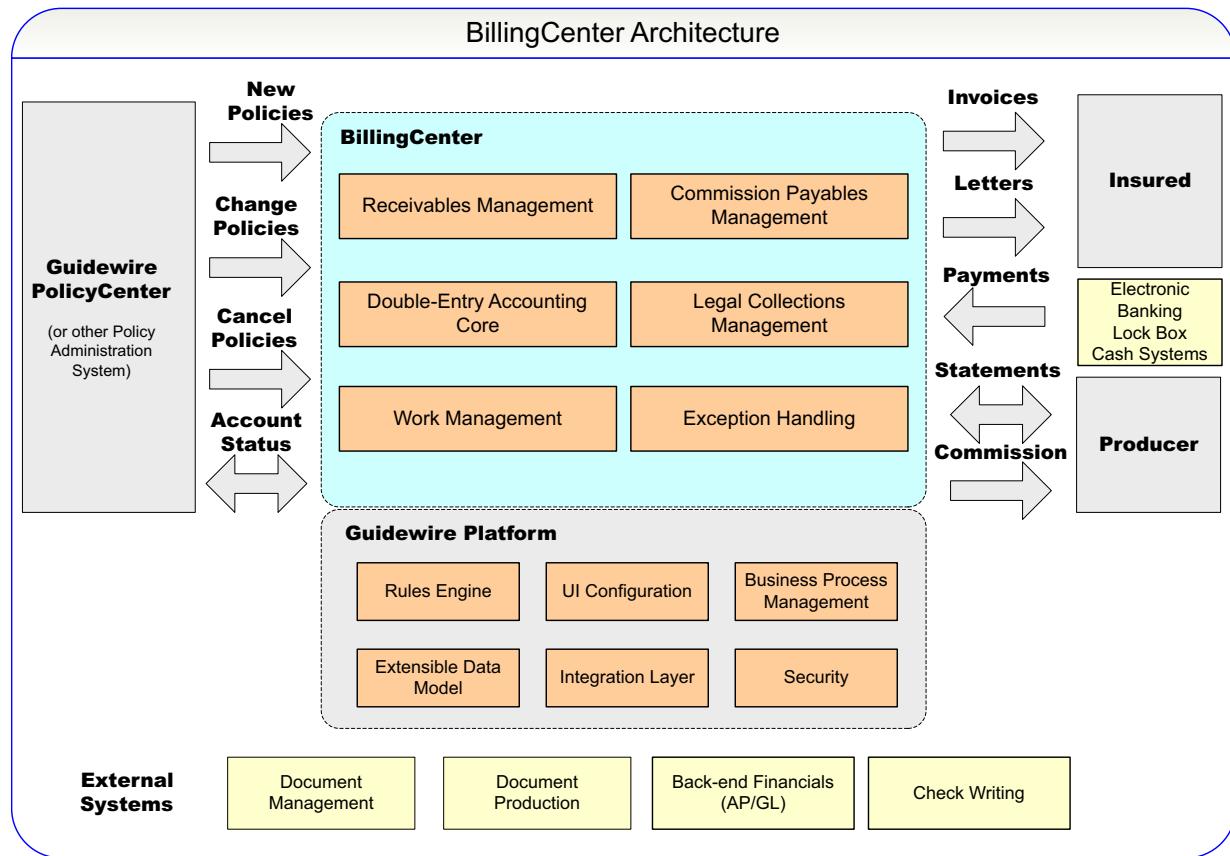
BillingCenter Architecture and the Billing Lifecycle

This topic includes:

- “Architecture Overview” on page 28
- “Billing Lifecycle” on page 29

Architecture Overview

The following graphic presents an overview of the BillingCenter architecture:



Guidewire Platform

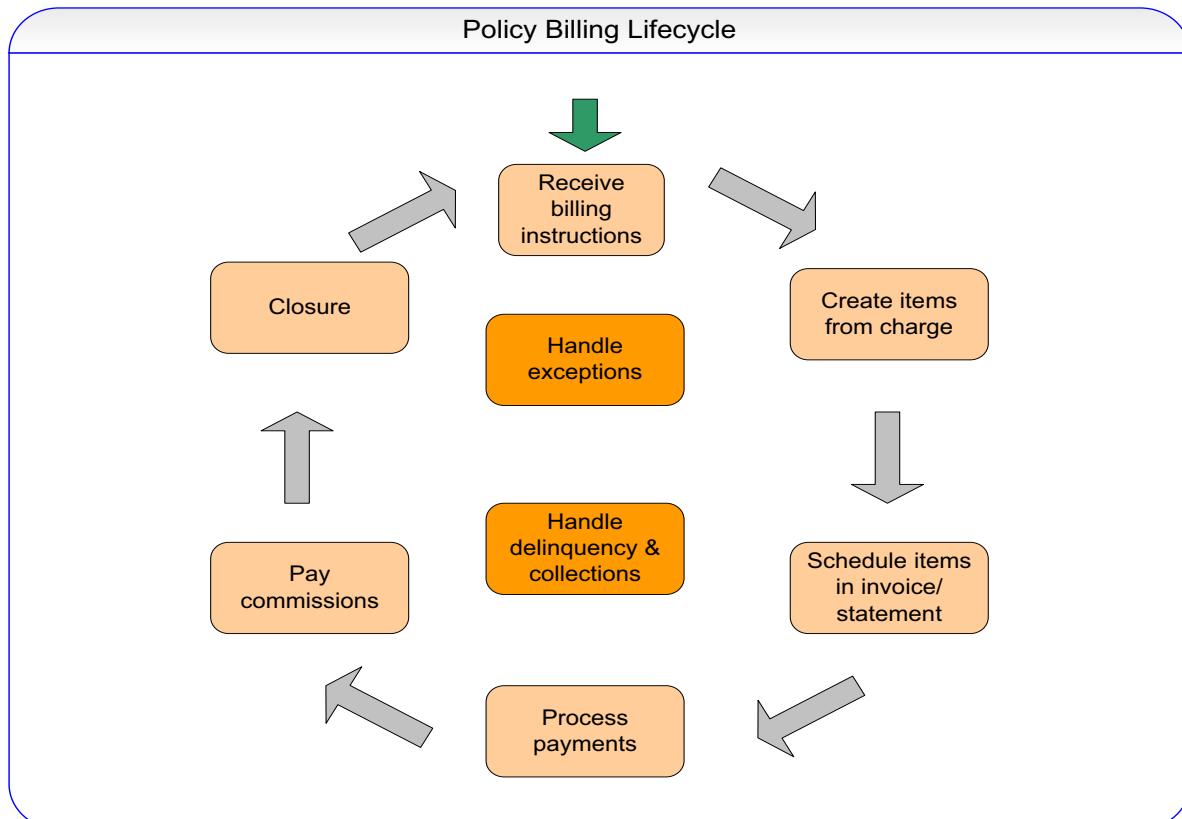
BillingCenter is built on top of the Guidewire platform, which provides a consistent mechanism for configuring functionality, managing security, and administering the system. The following table describes the key components of the Guidewire platform:

Component	Description
Rules Engine	The rules engine gives you close control over the critical steps in your billing processes such as assignment and validation. The rules engine combines easy-to-understand, hierarchical rule execution with a library of methods specifically developed to meet the needs of modern insurance companies.
Extensible Data Model	You can extend the application data model using logical, easily-understandable XML files. The use of metadata enables automatic modification of the database without custom SQL commands. You can preserve configuration changes made to one version of the data model if you upgrade to a new version.
User Interface Configuration	Every carrier needs to tailor its core systems to its unique business needs. The Guidewire platform provides an easy-to-use integrated development environment (IDE) that allows you to configure existing screens and menus and add custom screens to their BillingCenter implementation.

Component	Description
Integration Layer	Guidewire provides an integration layer including a complete web service API, which allows BillingCenter to interact with any application in any technology, whether internal or external to the insurance company. Integration mechanisms include event-based messaging and the ability to add integration adapters at any point in the application.
Business Process Management	Managing and tracking end-to-end business processes is increasingly important to leading insurance carriers. The Guidewire platform provides the ability to define long-running insurance processes involving multiple activities and actors, with exceptions and escalations as appropriate.
Security	The Guidewire platform provides mechanisms for controlling who has access to an application, what functionality they can use, and what data they can view or edit. Specific permissions control application functionality. You can assign permissions to roles. You can use permissions and roles to control access to data based on the user relationship to that data.

Billing Lifecycle

BillingCenter automates the entire policy billing lifecycle from initial receipt of a billing instruction through collections and renewals and policy closure. Other processes are built into the BillingCenter lifecycle to handle scheduling, commission processing, exception handling, and delinquency processing. The following graphic summarizes the policy billing lifecycle:



The following table summarizes each process in the policy billing lifecycle:

Process	Description
Receive billing instruction	The policy billing lifecycle begins with the receipt of a billing instruction from the policy administration system. There are several types of billing instruction (for example, issuance, policy change, and cancellation). A billing instruction always contains at least one charge.
Create items from charge	The <i>charge invoicing process</i> breaks down each charge into one or more items, depending on the charge type. For example, a premium charge typically results in one down payment item and multiple installment items. A tax or fee charge results in a single item.
Schedule items in invoice/statement	BillingCenter places items on invoices or statements, depending on the policy's billing method: <ul style="list-style-type: none"> In direct bill, BillingCenter places items on invoices, which are sent to the payer on the invoice (bill) date. In agency bill, BillingCenter places items on statements, which are sent to the producer on producer's statement (bill) date. BillingCenter automatically updates the status of each invoice or statement when the appropriate batch process runs after the bill or due date.
Process payments	BillingCenter receives and processes the payments: <ul style="list-style-type: none"> In direct bill, the insured pays the carrier directly. Payments are usually processed automatically. This is because each payment contains money for the policies of only one account. In agency bill, the insured pays the producer, who in turn pays the carrier. Agency bill payments usually cannot be processed automatically. This is because each net payment contains money for the policies of many accounts. Payment processing includes recording the transactions that contain the details of the movement of money in BillingCenter.
Pay commissions	A producer earns commission, usually as a percentage of the policy premium. The way commission is paid depends on the policy's billing method: <ul style="list-style-type: none"> In direct bill, the carrier pays commission to the producer. In agency bill, the producer retains the commission amount and makes a net payment to the carrier (minus the commission).
Closure	BillingCenter will close a policy when all the following conditions are met: <ul style="list-style-type: none"> Policy expiration date is in the past Remaining balance is zero All pro rata charges are completely earned After a policy is closed, its accounts can be rolled up. The policy is flagged as closed so that it does not become an unnecessary load on the system.
Handle exceptions	The way exceptions are handled in BillingCenter depends on the policy's billing method: <ul style="list-style-type: none"> In direct bill, exceptions are handled through trouble tickets and activities, which are assigned to the appropriate person. In agency bill, the billing representative handles exceptions on the My Agency Items screen. BillingCenter provides various ways to handle exceptions including write-off, carry forward, commission write-off, and delinquency.
Handle delinquency & collections	When an invoice or statement remains unpaid or partially paid after its due date, the policy and its owner become delinquent. If this condition persists, BillingCenter can start the legal collection process. The way delinquencies are handled depends on the policy's billing method: <ul style="list-style-type: none"> In direct bill, a delinquency workflow is invoked automatically and handles delinquency through a series of events. Delinquency events can include Dunning Letter 1, Late Fee, Notice of Intent to Cancel, and Cancellation. In agency bill, most processing is handled by a workflow, including delinquencies.

Direct Bill Processing

During *direct bill processing*, the carrier receives gross amount for all premium payments directly from the insured and remits commission payments to producers according to their commission plans. Within BillingCenter, one account can have multiple policies. BillingCenter handles all account-level and policy-level transaction management.

List Bill Processing

List bill processing is a special form of direct bill processing with a single paying account for multiple insured accounts. The carrier receives gross amount for all premium payments directly from the paying account. Examples of a list bill payer account include an employer that provides payroll withholding payments or a mortgage bank that offers homeowner's insurance payments through an escrow account. The paying account handles collecting from multiple insureds and remits payments in bulk to the carrier. The carrier remits commission payments to producers, if necessary, according to the producer commission plans.

Agency Bill Processing

Agency bill processing differs from direct bill in that collections are for payments from producers instead of accounts and policies. During agency bill processing, the carrier receives net payments for all premium payments directly from the producers. The producers keep the difference up front for commissions in accordance with their commission and agency bill plans. BillingCenter manages all agency bill cycles and handles My Agency Items processing and exception management.

Accounting Structure

This topic explains the basic accounting structure BillingCenter uses to handle financial information. The sections in this topic include:

- Internal Accounting System
- Working with T-accounts

Internal Accounting System

BillingCenter has an internal accounting system that keeps track of allocating funds, moving funds from one account to another, and identifies which transactions execute those moves. The basis for the accounting system is the double entry method.

The BillingCenter integrated accounting processes allow you to keep track of all accounting entries. Although some activities are handled manually in BillingCenter, most transactions are triggered automatically by batch processes or by an integrated Policy Administration System. Some examples are:

- A charge becomes due for an account and BillingCenter generates an invoice.
- An payment becomes overdue and BillingCenter generates a delinquency notice.

BillingCenter tracks activities and records accounting entries to provide a record of all activity on an account. You can view the activity using the following features:

- “Ledger” on page 33
- “Journal” on page 34
- “Double Entry Accounting” on page 34

Ledger

In BillingCenter, the ledger keeps track of the underlying accounting structure for all accounts (known as T-accounts in BillingCenter) and for any policies associated with an account.

- By selecting a specific account or policy in the ledger, you can view all associated T-account owners.

- By selecting a specific T-account owner in the ledger, you can view all associated T-accounts and Line items owned by that T-account owner.

The ledger provides you with accounting information that BillingCenter creates automatically for every account and policy. The information is shown by T-account owner and includes a record of any associated T-accounts and Line Items. You can integrate BillingCenter with a general ledger system and BillingCenter serves as the Accounts Receivable subsystem.

Journal

In BillingCenter, the journal keeps track of all transactions owned by a specific T-account owner. This includes the details of the transactions including the date, number, description, associated T-accounts, and the corresponding transaction entries. By selecting a specific T-account owner, you can view the details of the transactions relating to that account. The journal is based on the double entry accounting system and records debit and credit entries for each transaction.

The BillingCenter journal feature provides you with accounting information for every transaction entry associated with an account, policy period, or producer. This includes both automatic and manual entries.

Double Entry Accounting

The BillingCenter internal accounting system is based on double-entry accounting. The double-entry accounting method provides complete auditability and reversibility. The system uses T-accounts to track debit and credit entries. The total debit entries for a transaction are equal to the total credit entries for that transaction. This system keeps track of funds moved or transferred between T-accounts.

Working with T-accounts

As part of its underlying accounting substructure, BillingCenter creates the necessary T-accounts that contain the transactions and implement double entry processing. As BillingCenter creates accounts and policies, it assigns T-accounts owners at the account and policy levels and creates the T-accounts that own their transactions. This underlying structure that supports the T-accounts includes the following components:

- T-account Container
- T-account Owner
- T-account

T-account Container

BillingCenter uses the T-account container entity, `TAccountContainer`, for reporting purposes. It has a one-to-one relationship with each record in each account or policy associated with a specific T-account owner.

The T-account container contains the records of all T-account owners associated with either an account or a policy and can contain multiple T-account owners. By selecting the desired account or policy and then choosing the Ledger menu item, you can view the contents of the T-account container.

T-account Owner

The entity that owns the T-account and its line items is called the T-account owner. Policy periods, producers, and accounts are all T-account owners. BillingCenter assigns the related T-account owners when creating the T-account.

When you select a T-account owner in the ledger, you can view a list of the related T-accounts and Line Items.

T-account

T-accounts are financial accounts that contain money. The term T-account is an accounting term for a ledger account. In pre-computer days, a ledger account was tracked on paper by drawing a large capital T and tracking debits on the left side and credits on the right side. As with manual accounting systems, T-accounts associated with an account are one of the following types:

- **Asset** – A resource controlled by the carrier. One example is the Cash T-account, which represents money held by the carrier. Another example is the Charge Unbilled T-account, which represents money that will be collected in the future. This T-account type normally has a debit balance. A debit increases an asset while a credit decreases an asset.
- **Liability** – A carrier obligation arising from past events. An unapplied fund T-account is a liability T-account because it represents funds that have been received but not yet applied toward payment of charges. This T-account type normally has a credit balance. A debit decreases a liability while a credit increases a liability.
- **Expense** – Costs incurred by a carrier, such as commission that the carrier has paid to the producer. This T-account type normally has a debit balance. A debit increases an expense while a credit decreases an expense.
- **Revenue** – Funds earned by the carrier for services provided, such as premium that has been fully earned. This T-account type normally has a credit balance. A debit decreases revenue while a credit increases revenue.

BillingCenter automatically creates the underlying accounting structure for all accounts and policies including the appropriate T-accounts. The TAccount entity owns the related financial transactions.

Transactions

A transaction is the mechanism that updates T-account balances. Transactions move funds between two or more T-accounts in BillingCenter by debiting at least one T-account and crediting at least one T-account. The following are some examples of BillingCenter actions that result in transactions:

- Receiving payments
- Allocating money received to policies
- Disbursing (refunding) money

See “Working with Transactions” on page 39 for more information.

Transactions

A transaction is a financial entity that moves funds between two or more T-accounts in BillingCenter. Transactions and T-accounts are the core of the BillingCenter accounting process. They provide double entry accounting functionality for BillingCenter.

This topic includes:

- “Key Transaction Entities” on page 37
- “Working with Transactions” on page 39
- “Transaction Table” on page 40

Key Transaction Entities

The following are the key entities involved when funds are moved in BillingCenter:

- Transaction
- Line Item
- T-account
- T-account Container
- T-account Owner

Transaction

Transactions move funds between T-accounts in BillingCenter. A transaction debits one or more T-accounts and credits one or more T-accounts. The following are examples of BillingCenter actions that result in transactions:

- Receiving payments
- Allocating money received to policies
- Disbursing (refunding) money

Line Item

Every transaction has one or more *line items*. A line item is equivalent to the entry that appears on a separate line in a bookkeeping ledger. A line item holds a specific amount of money for a portion of the transaction. The LineItem entity represents this amount of money, which is contained by a transaction and belongs to a specific T-account.

T-account

T-accounts are financial accounts that contain money. The term T-account is an accounting term for a ledger account. In pre-computer days, a ledger account was tracked on paper by drawing a large capital T and tracking debits on the left side and credits on the right side. As with manual accounting systems, T-accounts associated with an account are one of the following types:

- **Asset** – A resource controlled by the carrier. One example is the Cash T-account, which represents money held by the carrier. Another example is the Charge Unbilled T-account, which represents money that will be collected in the future. This T-account type normally has a debit balance. A debit increases an asset while a credit decreases an asset.
- **Liability** – A carrier obligation arising from past events. An unapplied fund T-account is a liability T-account because it represents funds that have been received but not yet applied toward payment of charges. This T-account type normally has a credit balance. A debit decreases a liability while a credit increases a liability.
- **Expense** – Costs incurred by a carrier, such as commission that the carrier has paid to the producer. This T-account type normally has a debit balance. A debit increases an expense while a credit decreases an expense.
- **Revenue** – Funds earned by the carrier for services provided, such as premium that has been fully earned. This T-account type normally has a credit balance. A debit decreases revenue while a credit increases revenue.

BillingCenter automatically creates the underlying accounting structure for all accounts and policies including the appropriate T-accounts. The TAccount entity owns the related financial transactions.

The BillingCenter T-accounts are listed in the following table. Included is the T-account's type and its ledger side.

T-Account Name	T-Account Type	Ledger Side
<Charge Pattern> Billed	Asset	Debit
<Charge Pattern> Due	Asset	Debit
<Charge Pattern> Expense	Expense	Debit
<Charge Pattern> Expense Rollup	Expense	Debit
<Charge Pattern> Negative Write-Off	Revenue	Credit
<Charge Pattern> Negative Write-Off Income	Revenue	Credit
<Charge Pattern> Reserve	Liability	Credit
<Charge Pattern> Reserve Rollup	Liability	Credit
<Charge Pattern> Revenue	Revenue	Credit
<Charge Pattern> Revenue Rollup	Revenue	Credit
<Charge Pattern> Unbilled	Asset	Debit
<Charge Pattern> Unearned	Liability	Credit
<Charge Pattern> Write-Off Expense	Expense	Debit
<Charge Pattern> Write-Off Expense Rollup	Expense	Debit
Cash	Asset	Debit
Collateral Held	Asset	Debit
Collateral Reserve	Liability	Credit

T-Account Name	T-Account Type	Ledger Side
Collections Credit	Liability	Credit
Commissions Advance	Asset	Debit
Commissions Expense	Expense	Debit
Commissions Payable	Liability	Credit
Commissions Reserve	Liability	Credit
Designated Unapplied	Liability	Credit
Goodwill Credit	Expense	Debit
Interest Credit	Expense	Debit
Negative Commission Adjustment	Revenue	Credit
Negative Write-Off	Revenue	Credit
Other Credit	Expense	Debit
Positive Commission Adjustment	Expense	Debit
Suspense	Liability	Credit
Unapplied	Liability	Credit
Write-Off Expense	Expense	Debit

T-account Container

BillingCenter uses the T-account container entity, `TAccountContainer`, for reporting purposes. It has a one-to-one relationship with each record in each account or policy associated with a specific T-account owner.

The T-account container contains the records of all T-account owners associated with either an account or a policy and can contain multiple T-account owners. By selecting the desired account or policy and then choosing the Ledger menu item, you can view the contents of the T-account container.

T-account Owner

The entity that owns the T-account and its line items is called the T-account owner. Policy periods, producers, and accounts are all T-account owners. BillingCenter assigns the related T-account owners when creating the T-account.

When you select a T-account owner in the ledger, you can view a list of the related T-accounts and Line Items.

Working with Transactions

The transaction entity has many subtypes which determine the actual type of transaction to be processed. For example, if a payment on a policy is due, the charge is billed using the `ChargeBilled` transaction subtype. After the transaction is approved, the appropriate T-accounts (`Premium Billed` and `Premium Due`) are debited and credited for the billed charge.

Transaction Example

The following example explains how the information in the following transaction table relates to a BillingCenter process.

Agency Money Received Transaction Example

An `AgencyMoneyReceivedTxn` transaction occurs when money is received from the producer as part of an agency payment. This transaction credits the producer's `Unapplied` T-account and debits the producer's `Cash` T-account.

- The debit-side of the AgencyMoneyReceivedTxn transaction debits the Cash T-account which is owned by the T-account Owner, producer. This Cash T-account is an **Asset** account.
- The credit-side of the AgencyMoneyReceivedTxn transaction credits the Unapplied T-account which is owned by the T-account Owner, Producer. This Unapplied T-account is a **Liability** account.

Transaction Table

The following table lists all BillingCenter transactions.

Transaction Name	Ledger + T-Acct Name	T-Account Owner	Condition
AccountAdjustment			
	Debit Cash	Account	The transaction amount is enforced to be negative.
	Credit Unapplied	Account	
AccountCollectionTxn			
	Debit Collections Credit	Account	
	Credit Unapplied	Account	
AccountGoodwillTxn			
	Debit Goodwill Credit	Account	
	Credit Unapplied	Account	
AccountInterestTxn			
	Debit Interest Credit	Account	
	Credit Unapplied	Account	
AccountNegativeWriteoffTxn			
	Debit Unapplied	Account	
	Credit Negative Write-off	Account	
AccountOtherTxn			
	Debit Other Credit	Account	
	Credit Unapplied	Account	
AcctSuspenseReleaseTxn			
	Debit Suspense	Account	
	Credit Unapplied	Account	
AcctUnappliedSuspTxn			
	Debit Unapplied	Account	
	Credit Suspense	Account	
AgencyDisbursementPaid			
	Debit Unapplied	Producer	
	Credit Cash	Producer	
AgencyBillMoneyReceivedTxn			
	Debit Cash	Producer	
	Credit Unapplied	Producer	
ChargeBilled			
Billed	Debit <Charge Pattern>	Charge.<T-Acc Owner>	
Unbilled	Credit <Charge Pattern>	Charge.<T-Acc Owner>	

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
ChargeDue		
Debit <Charge Pattern>	Charge.<T-Acct Owner>	
Due		
Credit <Charge Pattern>	Charge.<T-Acct Owner>	
Billed		
ChargeExpenseRollup		
Debit <Charge Pattern>	Account	
Expense Rollup		
Credit <Charge Pattern>	Policy Period	
Expense		
ChargeNegWriteoffRollup		
Debit <Charge Pattern>	Policy	
Negative Writeoff		
Credit <Charge Pattern>	Account	
Negative Writeoff		
ChargePaidFromAccount		
Debit Unapplied	Account	Always part of the transaction
Debit <Charge Pattern>	Charge.<T-Acct Owner>	If the charge is a recapture
Reserve		
Debit Collateral Held	Collateral	If the charge is a collateral charge
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement and compliance status is closed
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement and compliance status is not closed and amount > shortfall
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement and compliance status is not closed and there is a shortfall
Credit <Charge Pattern>	Charge.<T-Acct Owner>	Always part of the transaction
Due		
Credit Unapplied	Charge.<T-Acct Owner>	If the charge is a recapture
Credit Cash	Account	If the charge is a collateral charge or a collateral requirement
ChargePaidFromProducer		
Debit Unapplied	Producer	Always part of the transaction
Debit <Charge Pattern>	Charge.<T-Acct Owner>	If the charge is a recapture
Reserve		
Debit Collateral Held	Collateral	If the charge is a collateral charge
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement and compliance status is closed
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement and compliance status is not closed and amount > shortfall
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement and compliance status is not closed and there is a shortfall
Debit Commissions Reserve	Charge Commission	If the invoice item is commissionable
Credit <Charge Pattern>	Charge.<T-Acct Owner>	Always part of the transaction
Due		
Credit Unapplied	Charge.<T-Acct Owner>	If the charge is a recapture
Credit Cash	Producer	If the charge is a collateral charge or a collateral requirement
ChargeReserveRollup		

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
Debit <Charge Pattern> Reserve	Policy Period	
Credit <Charge Pattern> Reserve Rollup	Account	
ChargeRevenueRollup		
Debit <Charge Pattern> Revenue	Policy Period	
Credit <Charge Pattern> Revenue Rollup	Account	
ChargeWriteoffRollup		
Debit <Charge Pattern> Write-off Expense Rollup	Account	
Credit <Charge Pattern> Write-off Expense	Policy Period	
ChargeWrittenOff		
Debit <Charge Pattern> Due	Charge.<T-Acct Owner>	If amount < 0
Debit <Charge Pattern> Write-off Expense	Charge.<T-Acct Owner>	If amount > 0
Credit <Charge Pattern> Negative Write-off Income	Charge.<T-Acct Owner>	If amount < 0
Credit <Charge Pattern> Due	Charge.<T-Acct Owner>	If amount > 0
CmsnsExpenseRollup		
Debit Commissions Expense	Account	Always part of the transaction
Credit Commissions Expense	Charge Commission	If ChargeCommission
Credit Commissions Expense	Policy Commission	If PolicyCommission
CmsnTransferredFrom		
Debit Commissions Reserve	Charge Commission	Transfer from a Producer
Credit Commissions Expense	Charge Commission	Transfer from a Producer
CmsnTransferredTo		
Debit Commissions Expense	Charge Commission	
Credit Commissions Reserve	Charge Commission	
CollateralDisbPaid		
Debit Collateral Reserve	Collateral	
Credit Collateral Held	Collateral	
CollateralDrawdown		
Debit Cash	Account	
Debit Collateral Reserve	Collateral	
Credit Unapplied	Account	
Credit Collateral Held	Collateral	

Ledger + T-Acct Name	T-Account Owner	Condition
CollateralPaidFromAccount		
Debit Unapplied	Account	
Debit Collateral Held	Collateral	
Credit Cash	Account	
Credit Collateral Reserve	Collateral	
Co11ReqSegregate		
Debit Collateral Held	Collateral Requirement	
Credit Collateral	Collateral	
Co11ReqTransfer		
Debit Collateral Held	Destination Collateral Requirement	The destination and source collateral requiements must be associated with the same Collateral.
Credit Collateral Held	Source Collateral Requirement	
Co11ReqUnSegregate		
Debit Collateral Held	Collateral	
Credit Collateral Held	Collateral Requirement	
CommissionAdjusted		
Debit Commissions Expense	Charge Commission	If "Data" is instance of CommissionRateOverrideData
Debit Commissions Expense	Charge Commission	If "Data" is instance of CommissionAdjustedData && "to Producer"
Debit Commissions Expense	Charge Commission	If "Data" is instance of CommissionAdjustedData && NOT "to Producer"
Credit Commissions Reserve	Charge Commission	If "Data" is instance of CommissionRateOverrideData
Credit Commissions Reserve	Charge Commission	If "Data" is instance of CommissionAdjustedData && "to Producer"
Credit Commissions Reserve	Charge Commission	If "Data" is instance of CommissionAdjustedData && NOT "to Producer"
CommissionsReserveNegativeWriteoffTxn		
Debit Commissions Reserve	Charge Commission	
Credit Negative Commission Adjustment	Charge Commission	
CommissionsReservePositiveWriteoffTxn		
Debit Positive Commission Adjustment	Charge Commission	
Credit Commissions Reserve	Charge Commission	
DirectBillMoneyReceivedTxn		
Debit Cash	Account	
Credit Unapplied	Account	
DisbursementPaid		
Debit Unapplied	Account	
Credit Cash	Account	
InitialChargeTxn		

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
Debit <Charge Pattern> Unbilled	Charge.<T-Acct Owner>	If ChargePattern.Type == COLLATERAL
Debit <Charge Pattern> Unbilled	Charge.<T-Acct Owner>	If ChargePattern.Type == Immediate
Debit <Charge Pattern> Expense	Charge.<T-Acct Owner>	If ChargePattern.Type == Pass Thru
Debit <Charge Pattern> Unbilled	Charge.<T-Acct Owner>	If ChargePattern.Type == Pass Thru
Debit <Charge Pattern> Unbilled	Charge.<T-Acct Owner>	If ChargePattern.Type == Pro Rata
Debit <Charge Pattern> Expense	Charge.<T-Acct Owner>	If ChargePattern.Type == Recapture
Debit <Charge Pattern> Unbilled	Charge.<T-Acct Owner>	If ChargePattern.Type == Recapture
Credit Collateral Reserve	Collateral	If ChargePattern.Type == COLLATERAL
Credit <Charge Pattern> Revenue	Charge.<T-Acct Owner>	If ChargePattern.Type == Immediate
Credit <Charge Pattern> Reserve	Charge.<T-Acct Owner>	If ChargePattern.Type == Pass Thru
Credit <Charge Pattern> Revenue	Charge.<T-Acct Owner>	If ChargePattern.Type == Pass Thru
Credit <Charge Pattern> Unearned	Charge.<T-Acct Owner>	If ChargePattern.Type == Pro Rata
Credit <Charge Pattern> Revenue	Charge.<T-Acct Owner>	If ChargePattern.Type == Recapture
Credit Unapplied	Charge.<T-Acct Owner>	If ChargePattern.Type == Recapture
ManualCmsnEarned		
Debit Commissions Expense	Producer Code	
Credit Commissions Pay- able	Producer Code	
PolicyChangeCmsnTxn		
Debit Commissions Expense	Charge Commission	
Credit Commissions Reserve	Charge Commission	
PolicyCmsnPayable		
Debit Commissions Pay- able	Charge Commission	If ChargeCommission != Null
Debit Commissions Pay- able	Policy Commission	If ChargeCommission == Null
Credit Commissions Pay- able	Producer	
PolicyIncentivesEarned		
Debit Commissions Expense	Policy Commission	
Credit Commissions Pay- able	Policy Commission	
ProdCodeBonusEarned		

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
Debit Commissions Expense	Producer Code	
Credit Commissions Payable	Producer Code	
ProdCodeCmsnPayable		
Debit Commissions Payable	Producer Code	
Credit Commissions Payable	Producer	
ProdSuspenseReleaseTxn		
Debit Suspense	Producer	
Credit Unapplied	Producer	
ProdUnappliedSuspTxn		
Debit Unapplied	Producer	
Credit Suspense	Producer	
ProducerAdvanceExpired		
Debit Commissions Payable	Producer	
Credit Commissions Advance	Producer	
ProducerAdvancePayable		
Debit Commissions Advance	Producer	
Credit Commissions Payable	Producer	
ProducerAdvanceRepaid		
Debit Commissions Payable	Producer	
Credit Commissions Advance	Producer	
ProducerNegWriteoffTxn		
Debit Unapplied	Producer	
Credit Negative Write-off	Producer	
ProducerPayableTransferTxn		
Debit Commissions Payable	Source Producer	
Credit Commissions Payable	Destination Producer	
ProducerPaymentRecd		
Debit Cash	Producer	
Credit Commissions Payable	Producer	
ProducerPaymentSent		
Debit Commissions Payable	Producer	
Credit Cash	Producer	
ProducerWriteoff		
Debit Write-off Expense	Producer	If the amount >= 0

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
Debit Negative Write-off	Producer	If the amount < 0
Credit Unapplied	Producer	
ProdUnappliedSuspTxn		
Debit Unapplied	Producer	
Credit Suspense	Producer	
ProRataChargeEarned		
Debit <Charge Pattern>	Charge.<T-Acct Owner>	
Unearned		
Credit <Charge Pattern>	Charge.<T-Acct Owner>	
Revenue		
ReserveCmsnEarned		
Debit Commissions Reserve	Charge Commission	If ChargeCommission != Null
Debit Commissions Reserve	Policy Commission	If ChargeCommission == Null
Credit Commissions Payable	Charge Commission	If ChargeCommission != Null
Credit Commissions Payable	Policy Commission	If ChargeCommission == Null
SubmissionCmsnTxn		
Debit Commissions Expense	Charge Commission	Transfer to a Producer / Create a new Policy under a Producer
Debit Commissions Reserve	Charge Commission	Transfer from a Producer
Credit Commissions Reserve	Charge Commission	Transfer to a Producer / Create a new Policy under a Producer
Credit Commissions Expense	Charge Commission	Transfer to a Producer
SuspPymtDishPaid		
Debit Unapplied	Suspense Payment	
Credit Cash	Suspense Payment	
SuspPymtTransaction		
Debit Cash	Suspense Payment	
Credit Unapplied	Suspense Payment	
TransferTransaction		
Debit Unapplied	Source Producer	Always part of the transaction
Debit Unapplied	Account	If amount < 0
Debit Designated Unapplied	Account	If amount > 0
Credit Unapplied	Destination Producer	Always part of the transaction
Credit Designated Unapplied	Account	If amount < 0
Credit Unapplied	Account	If amount > 0

Key BillingCenter Entities

This topic introduces you to the key data model entities in BillingCenter. Understanding these key entities provides you with a clear picture of how information moves within BillingCenter. For a complete list of entities, refer to the BillingCenter Data Dictionary. The Data Dictionary is web-based documentation that identifies all entities and typelists in BillingCenter. It documents both the base BillingCenter data model and the configurable extensions. Use the Data Dictionary to view information about each entity attribute such as lists and descriptions of each column, and the available fields for various business objects in the system.

To learn more about configuring the data model and using the Data Dictionary, refer to the “Working with the Data Dictionary” on page 141 in the *Configuration Guide*.

This topic includes:

- “Key Setup Entities” on page 47
- “Key Billing Entities” on page 51
- “Key Payment Entities” on page 53

Key Setup Entities

You can use the following entities to set up BillingCenter accounts, policies, and producers:

- Account
- BillingInstruction
- Collateral
- DelinquencyProcess
- Plan
- PolicyPeriod
- Producer
- T-account
- Workflow

Account

An Account is a unique customer represented by an account, generally based on one billing address. An account can have multiple policies. For example, the Acme Company account can include Workers' Comp and General Liability policies, or a person can have both Personal Auto and Homeowners policies. By tying both policies to the same account, the system tracks all of the financial transactions that a customer has with a carrier.

Related field	Description
AccountInfo	A virtual entity that gets the status of the account. It includes the amount due on the account, the amount billed or unbilled, whether or not it is delinquent, or when the last payment was made.
AccountNumber	Each account has a unique number within the system.
BillingPlan	Returns the type of billing plan that applies to the account.
ChargePatterns	Retrieves the charge information for the given account.
Charges	Retrieves the actual charges that are associated with the account.
Delinquent	A boolean that if true means that the sum due amount for the account plus its children policies is positive and therefore delinquent.
Transactions	Gets a list of any and all transactions associated to the account.

BillingInstruction

Billing instructions are directions from the policy administration system (PAS) to BillingCenter. They tell BillingCenter what type of charge to create which in turn is used to create the invoice items(*InvoiceItem*). There are several types of billing instructions which in conjunction with the Payment plan determine how the charge is invoiced.

Related field	Description
Subtype	Subtypes are: cancellation, policy change, general, issuance, reinstatement, and renewal.
Charges	Returns all charges that are associated with the type of invoice.

Collateral

Collateral is an additional asset or amount that may be required of an insured to secure coverage for a new or renewed policy. The insured can satisfy the collateral requirement with either cash, letters of credit (LOC), or a combination of both. Collateral created at the account level is processed as direct billed. The collateral deposit is subject to seizure in the event of delinquency.

Related field	Description
Compliance	Indicates the status of the collateral.
PaidAmount	The total amount paid which is equal to the total value of the T-account owner minus the remaining balance and any write-off expense.
RemainingBalance	The remaining balance on the T-account owner which is the sum of the current outstanding and unbilled amounts.
TotalCollateralValue	The balance of any money available for allocation.
TotalLOCValue	The value of the current letters of credit on file.

DelinquencyProcess

If an account becomes delinquent, then the system starts a series of processes, including generating activities, such as notifying the producer, or sending warning letters to an account. It also determines which delinquency plan is used, and kicks off a workflow process.

Related field	Description
Account	The insured's information.
Amount	The amount of money that is delinquent.
DeLinquencyPlan	This subtype of Plan, determines how the delinquency is to be processed.
PolicyPeriod	Gets any policies targeted for cancellation by the delinquency process for example with policy periods that are delinquent.
Workflows	Starts the workflow for the delinquency process. Subtypes include Cancel Immediately, Simple Delinquency, and Standard Delinquency.

Plan

Plan is the container of the different types of plans that can be customized in BillingCenter. This allows BillingCenter to easily automate and control many of its processes. A Plan enables you to administer bills, pay commissions to producers, start delinquency processes, and customize how payments are applied to accounts and policies.

Related field	Description
EffectiveDate	This is the date on which the plan (really the particular subtype plan) begins.
ExpirationDate	The date which the plan expires. A null value indicates that the plan runs indefinitely.
PlanOrder	Plans can be set in order of priority to be executed. This field indicates that order.
Subtypes	Subtypes include: Agency Bill, Billing, Commission, Delinquency, and Payment Plans. Each subtype is further organized into any number of customized plans and depending on user preferences, can be set up to execute in any order.

PolicyPeriod

A policy can have multiple policy periods. A policy period represents a single contract period within a policy. For example, every time the policy is renewed, a new contract is created covering a new time period, and therefore a new policy period. The policy period and its children represent data that describes the entire policy period, not just a single version of the policy.

Related field	Description
Account	The insured's information.
AssignedRisk	This indicates whether or not the policy period was written as part of a mandatory program for covering the worst risks. This field is used to determine the appropriate commission plan.
BoundDate	Indicates the date of when the policy was bound (was legally in effect) and therefore what costs are associated with that policy period.
Charges	Gets the charges associated with the t-account owner.
DeLinquent	Checks to see if there is a due amount for the policy.
PolicyTerm	This refers to the length of a term. For example, if the term is supposed to be six months, then the expiration date is determined automatically as the effective date plus six months.

Producer

A producer is an intermediary between the carrier and the account. The producer brings business to the carrier and helps accounts find carriers. Carriers typically pay commissions to the producer for bringing in new business and getting the clients to renew their policies. Producers can participate in agency billing, direct billing, or both. Each producer has one or more ProducerCodes. Each producer code is associated with a commission plan.

Related field	Description
ActiveProducerCodes	Gets an array of all active ProducerCodes for this producer.
Charges	Gets the charges associated with this producer.
PolicyPeriods	Gets a list of all the PolicyPeriods associated with this producer.
PaymentMethod	Gets the PaymentMethod associated with this producer.
TotalCommissionPayable	Gets the total commissions payable to this producer. This is the sum of all of the commissions payable to all associated producer codes.
Transactions	Gets a list of all the transactions that are associated to the account and policy owner of which the producer has an association.

T-account

T-accounts are financial accounts that record a set of transactions and any associated line items within the accounting subsystem. BillingCenter automatically creates the underlying accounting structure for all accounts and policies including the appropriate T-accounts. The left side of the T-account records debits, while the right side records credits. A T-account can be one of the following types: Asset, Liability, Income, or Expense.

Related field	Description
LineItems	A set of line items associated with this T-account, shown as one item per line.
TAccountContainer	Contains the T-account owner associated with the account or policy, such as Account, Collateral, or PolicyPeriod.
TAccountOwnerTypeNAccountName	Gets the T-account's name and owner entity type. Allows users to view which transactions involve multiple T-account owners in the Journal list views.
TAccountPattern	Gets the pattern for this T-account.

Workflow

A workflow is a multi-step system process designed to manage a complex business process. A workflow instance can be invoked by:

- Selecting a button or menu action on the user interface
- Calling an external API
- Creating and starting a workflow instance using Gosu from a rule or a PCF element
- Invoking a workflow from another workflow

Related field	Description
Activities	Any activities active on the workflow.
CurrentAction	Indicates the action that the workflow is currently trying to undertake.

Related field	Description
CurrentStep	Indicates the workflow's current step.
Subtype	Identifies the workflow subtype being used. Workflow subtypes include: <ul style="list-style-type: none">• Agency bill workflow subtypes:<ul style="list-style-type: none">• LegacyAgencyBill• StdAgencyBill• Delinquency workflow subtypes:<ul style="list-style-type: none">• CancelImmediately• LegacyDelinquency• LegacyDelinquencyOther• SimpleDelinquency• SimpleFailureToReport• SimpleProducerRefer• StdDelinquency

Key Billing Entities

You can use the following entities to invoice BillingCenter accounts, policies, and producers:

- Charge
- Invoice
- InvoiceItem
- InvoiceStream
- ProducerStatement

Charge

A charge receives information about what type of charge (cost) to create for the account from `BillingInstruction`.

Note: BillingCenter distinguishes between a charge entity and charge instance by calling the entity a *charge pattern* and each instance of a charge pattern a *charge*. Every charge has an associated charge pattern.

Related field	Description
Amount	Probably the most important field, it specifies the exact amount of the charge.
BillingInstruction	A container for one or more charges that BillingCenter receives as a command from a Policy Administration System to generate an invoice.
ChargePattern	The pattern used to create the charge. It acts as the template which creates the instance of the charge.
EffectiveDate	The date on which the initial charge transaction occurs.
T-accountContainer	Gets the relevant entity information needed in order to send the charge. Can include account, organization, producer, appropriate policy period and suspense payment data.

Invoice

An invoice is an itemized bill requesting payment on a policy in an account. Invoices move through three sequential states: planned, billed, and due. If payment is not received the invoice can move to a fourth state: past due. When an invoice is billed, its invoice items create transactions crediting the unbilled and debiting the billed T-account for their respective charges. Similar transactions crediting billed and debiting due T-accounts occur when an invoice becomes due. This allows BillingCenter to use T-account balances to determine at charge-level the current billed and due amounts.

Related field	Description
Account	The insured's information.
Amount	The amount of money in the invoice.
AmountDue	Gets the amount currently due, which is the total of all the amounts due on this invoice's invoice items.
InvoiceItems	Array key for <code>InvoiceItem</code> , it fetches each type of charge that is due.
Paid	The <code>True</code> if every line item on the invoice has been paid, otherwise, <code>False</code> .

InvoiceItem

A charge is divided into one or more invoice items depending on the charge's invoicing type. A charge invoiced by *plan* is broken into a series of invoice items according to the insured's payment plan. The total amount of the invoice items will be equal to the total charge amount. These invoice items are added to invoices as specified by the insured's billing plan. BillingCenter handle payments and commission at the item level.

Related field	Description
Amount	The amount of the invoice item.
Charge	The charge associated with the item. Charges get their information from <code>BillingInstruction</code> .
Invoice	Refer to <code>Invoice</code> .
PolicyPeriod	Determines the policy period for which the invoice item is due.
Transactions	Applies the subtype that is appropriate.

InvoiceStream

An invoice stream is a container for a series of invoices. Invoice streams organize invoices based on the frequency of the invoices, or for policy-level billing, based on the policy. Invoice streams allow for a clean separation based on invoicing frequency, policy, payment instrument, or other criteria. Custom invoice streams can be created to organize invoices based on other criteria, such as payment instrument.

Related field	Description
Periodicity	The stream's periodicity determines the period of time between invoices in the stream.
Description	The description is an optional field that will appear along with the periodicity in the user interface when invoice streams are listed for viewing or selection.
AnchorDates	The invoicing anchor dates used by this stream. If the stream has overriding anchor dates, this returns the overriding anchor dates. Otherwise it returns the payer's invoicing days for the stream's periodicity. For example, it returns the account's invoice day of month for an account's monthly stream if the stream does not have overriding anchor dates.
BillDateOrDueDate Billing	The date used to base billing on for this stream, the bill date or the due date. If the stream overrides <code>BillDateOrDueDateBilling</code> , this returns the overriding <code>BillDateOrDueDateBilling</code> . Otherwise it returns the payer's setting for <code>BillDateOrDueDateBilling</code> .

Related field	Description
Payment Instrument	The PaymentInstrument used by this stream. If the stream overrides the PaymentInstrument, this returns the overriding PaymentInstrument. Otherwise it returns the payer's default PaymentInstrument.
InvoicingLeadTime	The InvoicingLeadTime used by this stream. If the stream overrides InvoicingLeadTime, this returns the overriding InvoicingLeadTime. Otherwise it returns the payer's InvoicingLeadTime for the stream's PaymentInstrument.

ProducerStatement

The producer statement is a bill to the producer. It provides a list of all of the producer's invoices for a given month and indicates which payments the producer expects to make to the carrier for that month.

Related field	Description
Producer	The name of the producer.
Summary	The entities that make up the statement summary.

Key Payment Entities

You can use the following entities to set up BillingCenter accounts, policies, and producers:

- Disbursement
- Hold
- IncomingProducerPayment
- PaymentMoneyReceived
- ProducerPayment
- SuspensePayment
- Transaction
- TroubleTicket
- Writeoff

Disbursement

A disbursement is a refund. Disbursements can be created either manually or automatically.

Related field	Description
Account	The insured's information.
Amount	The amount of money that is to be disbursed.
AssignedByUser	The person who is assigned to disburse funds.
DueDate	The date the disbursement will be paid by the responsible account.
TriggerDate	The date the disbursement is created.

Hold

A hold blocks automated system behavior in BillingCenter while a dispute from an insured is being investigated. When a hold is placed, the system stops generating late fees while the insured's complaint is under investigation. Holds are associated with delinquencies and trouble tickets.

Related field	Description
CommissionPayments	An array field on the array holdtype that applies a hold to commission payments. When commission payment is True, a producer's commission payment is held while an investigation takes place.
Delinquency	An array field on the array holdtype that applies a hold to delinquency processes. When delinquency is True, a hold occurs during a delinquency process while an investigation takes place.
Disbursements	An array field on the array holdtype that applies a hold to disbursements. When selected, it allows you to place a hold on an automatic disbursement while an investigation takes place. Note that holds do not affect manually created disbursements.
HoldTypes	The various types of automated processes that can be blocked by a hold in BillingCenter.
Payment Distribution	An array field on the array holdtype that applies a hold to payment distributions. When payment distribution is True, payment distribution is held while an investigation takes place.
TroubleTickets	An exception handling entity that is used to handle disputes in BillingCenter. Trouble Tickets are similar to Activities, in that they provide a method for multiple users to track and escalate an issue

IncomingProducerPayment

An incoming producer payment is a payment sent by a producer for the net amount due on a policy or a set of policies. The net amount due is the total amount due minus the related commission that the producer has withheld.

Related field	Description
Amount	The total amount of the payment from the producer.
Method	Returns the method used to retrieve the incoming producer payment.
Producer	Retrieves the name of the producer making the payment. This field is a foreign key on the Producer entity.

PaymentMoneyReceived

Payments can be processed either manually or automatically and can apply to the entire account or to an individual policy. Automatic payments are governed by payment plans. Additional fields on PaymentMoneyReceived include bank account numbers, bank names, credit card numbers and so forth.

Related field	Description
Amount	The total amount of the payment
AppliedDate	The date this PaymentMoneyReceived was executed, that is, the date the transaction moved money from the Cash T-account to the Unapplied T-account
PaymentInstrument	The payment instrument associated with this payment receipt

ProducerPayment

Producer payments are outgoing payments for commissions that can be processed either manually or automatically.

Related field	Description
Outgoing Payment	Indicates the actual payment issued for the producer payment.
Subtype	Indicates the type of producer payment. Options include AutoPayment and ManualPayment.

SuspensePayment

Suspense payments provide a way to post a payment for an account or policy that does not yet exist in BillingCenter. This can occur when a payment is received for an account that does not have a bound policy.

Related field	Description
Amount	Indicates the total amount of the suspense payment.
Charges	Indicates the charges that are associated with this payment.
OutstandingAmount	Indicates the sum of the currently billed and due balances.
PaidAmount	Indicates the total amount paid to date. This amount equals the total value of the T-account Owner minus the remaining balance minus the write-off expense. To include write-offs, call PaidOrWrittenOffAmount.
PaidOrWrittenOffAmount	Indicates the total amount paid to date including any write-offs. This amount is equal to the total value of the T-account Owner minus the remaining balance. This method includes write-offs in the paid amount; to exclude write-offs, call PaidAmount. Note: PaidOrWrittenOffAmount does not consider unapplied funds as “paid;” it only considers funds actually distributed to the charges.
Status	Indicates the status of the suspense payment. Options include SuspensePaymentStatus typecodes: open, reversed, applied, and disbursed.

Transaction

Transactions represent all the types of financial changes or movements in BillingCenter. Examples include charges, transfers, write-offs, disbursements, and payments. There are many subtypes which can be defined in the `accountingConfig.xml` file and are listed in the data dictionary. An account can have many transactions.

Related field	Description
Amount	Indicates the amount of the given transaction.
LineItems	Returns a list of all charges associated with this transaction. There are two accounting double-entry items for each line.

TroubleTicket

Trouble tickets provide a process to identify, track, and solve an insured’s complaint. They can be associated with an account (or multiple accounts), specific transactions on a policy, and/or producers. Refer to the section on “Trouble Ticket Overview” on page 233 for further information.

Related field	Description
AccountNumber	Gets all account numbers of the related account. If no account has been associated, then returns null.
Hold	Indicates what types of holds are on the ticket.

Related field	Description
PolicyNumber	Gets all policy numbers of the related policy. If no policy has been associated, then returns null.
TemporaryCredits	Gets any temporary credits that are associated with this trouble ticket.
TicketType	Indicates what type of ticket is created. Typecodes include: automatically generated, dispute, processing error, customer complaint, customer question, and report error.
TroubleTicketJoin Entities	If any entity (Account, Policy, or Producer) has been associated with the trouble ticket, then this displays that relationship.

Writeoff

Write-offs allow BillingCenter to cancel assets held in the charge invoicing T-accounts, in particular those in anticipation of future payments from insureds. When payments are no longer expected, due to non-payment or a billing dispute, the assets need to be balanced with a corresponding write-off liability. Write-offs are allowed at the account, policy, and charge level.

Related field	Description
Reason	Indicates the reason for the write-off. Typecodes are: minor adjustment, LowBalanceInvoice, Uncollectable, RecoveryShortfall, Negotiation, and Miscellaneous.
Reversed	Indicates whether the write-off has been reversed. If it has been reversed, it may not be reversed again.
Subtype	Indicates the types of write-offs available, including: AgencyPmtDiffWriteoff and ChargeWriteoff.

part II

BillingCenter User Interface

Navigating BillingCenter

This topic provides information on how to access BillingCenter and provides basics instructions on how to navigating the BillingCenter user interface.

This topic includes:

- “Logging in to BillingCenter” on page 59
- “Setting Preferences” on page 60
- “Selecting International Settings in BillingCenter” on page 60
- “Common Areas in the BillingCenter User Interface” on page 62
- “BillingCenter Tabs” on page 63
- “Auto Complete” on page 67
- “Logging out of BillingCenter” on page 67

Logging in to BillingCenter

To log in to BillingCenter, you need:

- **A web browser** – Guidewire supports Firefox and Internet Explorer.
- **The URL (web address) for connecting to BillingCenter** – See the “Connecting to BillingCenter with a Web Client” on page 95 in the *Installation Guide* for details the web address to use. You can set up a **Favorite** link to the URL or create a shortcut on your computer desktop that starts a web browser with that URL.
- **A user name and password** – You must have one or more roles assigned to your user name by a system administrator. Roles determine the pages you can access and what you can do in BillingCenter.

1. Launch BillingCenter by running a web browser and using the appropriate web address, such as:

`http://localhost:8580/bc/BillingCenter.do`

2. Enter your **User Name** and **Password** on the login page.

If successful, BillingCenter shows your startup view, or landing page.

If you first click **Keep me logged in** and then log in, you are logged in automatically for the next seven days whenever you navigate to the login page. To support this feature, the application must be hosted by the same application server each time you return to the page. If you log out of BillingCenter, you will need to log in the next time you navigate to the login page.

When you click **Keep me logged in**, BillingCenter writes a cookie to your machine. As is the case with all Internet Explorer cookies, writing this cookie can expose a security risk if other people get access to the cookie. For example, someone could copy the cookie to another machine and then be able to log in without entering a user name or password. If this security issue is a concern, you can remove this field from the login page in your BillingCenter implementation.

When you log in, BillingCenter displays your startup view, or landing page.

Notes: Because BillingCenter generates pages dynamically:

- You cannot create **Favorites** to pages other than the login page,
- The **Back** button of the browser is not supported.

Setting Preferences

User preferences can be set in the **Preferences** worksheet. Modified preferences take effect the next time you log in.

To view the **Preferences** worksheet, click the **Desktop** tab. In the left pane, select the **Actions** menu and click **Preferences**. The **Preferences** worksheet appears in the Workspace below the Screen Area.

The following preferences may be set:

- **Password** – To change your password, enter your current and desired passwords. For confirmation, enter your desired password a second time.
- **Startup View** – Select the initial view that BillingCenter displays when you log in.
- **Regional Formats** – Set the regional formats that BillingCenter uses to enter and display dates, times, numbers, monetary amounts, and names.
- **Default Country** – Determines the settings for names and addresses.
- **Default Phone Region** – Determines how phone number entries are handled, especially the country code setting.

Selecting International Settings in BillingCenter

In Guidewire BillingCenter, each user can set the following:

- The language that BillingCenter uses to display labels and drop-down menu choices
- The regional formats that BillingCenter uses to enter and display dates, times, numbers, monetary amounts, and names.

You set your personal preferences for display language and for regional formats by using the Options menu  at the top, right-hand side of the BillingCenter screen. On that menu, click **International**, and then select one of the following:

- **Language**
- **Regional Formats**

To take advantage of international settings in the application, you must configure BillingCenter with more than one region.

- BillingCenter hides the **Language** submenu if only one language is installed.

- BillingCenter hides the **Regional Formats** submenu if only one region is configured.
- BillingCenter hides the **International** menu option entirely if a single language is installed and BillingCenter is configured for a single region.

BillingCenter indicates the current selections for **Language** and **Regional Formats** by placing a check mark to the left of each selected option.

Options for Language

In the base configuration, Guidewire has a single display language, English. To view another language in BillingCenter, you must install a language pack and configure BillingCenter for that language. If your installation has more than one language, you can select among them from the **Language** submenu. The **LanguageType** typelist defines the set of language choices that the menu displays.

If you do not select a display language from the **Language** submenu, BillingCenter uses the default language. The configuration parameter **DefaultApplicationLanguage** specifies the default language. In the base configuration, the default language is **en_US**, U.S. English.

Options for Regional Formats

If your installation contains more than one configured region, you can select a regional format for that locale from the **Regional Formats** submenu. At the time you configure a region, you define regional formats for it.

Regional formats specify the visual layout of the following kinds of data:

- Date
- Time
- Number
- Monetary amounts
- Names of people and companies

The **LocaleType** typelist defines the names of regional formats that users can select from the **Regional Formats** menu. The base configuration defines the following locale types:

- | | |
|-----------------------|---------------------------|
| • Australia (English) | • Germany (German) |
| • Canada (English) | • Great Britain (English) |
| • Canada (French) | • Japan (Japanese) |
| • France (French) | • United States (English) |

Unless you select a regional format from the **Regional Formats** menu, BillingCenter uses the regional formats of the default region. The configuration parameter **DefaultApplicationLocale** specifies the default region. In the base configuration, the default region is **en_US**, United States (English). If you select your preference for region from the **Regional Formats** menu, you can later use the default region again only by selecting it from the **Regional Formats** menu.

See also

- “Understanding Globalization” on page 13 in the *Globalization Guide*
- “About Display Languages” on page 23 in the *Globalization Guide*
- “Working with Regional Formats” on page 85 in the *Globalization Guide*

Common Areas in the BillingCenter User Interface

This topic provides descriptions of common areas of the BillingCenter user interface.

The screenshot shows the BillingCenter user interface with several numbered callouts:

- 1**: The Tab bar at the top, which includes tabs for Desktop, Account, Policy, Producer, Search, Administration, and a Go to (Alt+) box.
- 2**: The Info bar displaying the account number (Account #Satellite-2-Highway) and date (Mar 14, 2015).
- 3**: The Sidebar on the left containing links for Contacts, Funds Tracking, Payments, Charges, Disbursements, Transactions, Collateral, Policies, History, Evaluation, Invoices, Invoice Streams, Trouble Tickets, Documents, Account Notes, Ledger, Journal, and Delinquencies.
- 4**: The main Summary screen area, which contains sections for Account Basics, Account Totals, Policy Totals, Unapplied Funds, Collateral, Company Type, and various Billing Info, Next Bill Info, Write-Offs, Delinquency, and Distribution Method settings.
- 5**: The Open Policy Status and Recent Payments Received sections at the bottom of the Summary screen.

The BillingCenter user interface contains the following areas:

Area	Description
1	<p>The Tab bar contains:</p> <ul style="list-style-type: none"> Tabs QuickJump box is the text box that displays Go to (Alt+J). For more information, see “QuickJump Overview” on page 73. Unsaved Work menu. For more information, see “Unsaved Work Menu” on page 78. Options menu contains various links including International, Help, About, Preferences, and Log Out.
2	<p>The Info bar displays dynamic information relevant to the current screen. Depending on the screen, the Info bar may contain the current date, the active account name and number, or other information.</p> <p>When the Policy tab is active, the Info bar displays the name and number of the account associated with the selected policy. You can click the account text in the Info bar to jump to the account’s Summary screen.</p>
3	<p>The Sidebar contains menu links and the Actions menu. Use the Sidebar menu links to navigate to different pages. The items in the Sidebar are contextual and change depending on which tab you are viewing.</p>

Area	Description
4	The Screen Area displays most of the business information. This is where you interact with BillingCenter.
5	The Workspace can display information separate from the Screen Area, such as open policies on an account or recent transactions on a policy.

BillingCenter Tabs

In BillingCenter, tabs group together logical functions. Tabs can also contain menus with shortcuts to screens on that tab. To see these menus, click the down arrow next to the tab name and select the link from the drop-down menu.

The main tabs are in the **Tab Bar** at the top of the page, as described in “Common Areas in the BillingCenter User Interface” on page 62. These tabs group logical functions in BillingCenter. To work with a tab:

- Click the tab to see its default screen. You can then choose one of the screens grouped by the tab from the **Sidebar** menu on the left. For example, in the base configuration, clicking the **Desktop** tab opens the **My Activities** screen.
- Tabs can also contain menus with shortcuts to screens on that tab. To see a menu, click the down arrow next to the tab name and select a menu item from the drop-down menu. For example, click the down arrow on the **Administration** tab and then click **Business Settings** → **Activity Patterns** to open your **Activity Patterns** screen.

The BillingCenter tabs are described in the following topics:

- “**Desktop Tab**” on page 63
- “**Account Tab**” on page 64
- “**Policy Tab**” on page 64
- “**Producer Tab**” on page 65
- “**Search Tab**” on page 66
- “**Administration Tab**” on page 67

Desktop Tab

The **Desktop** tab organizes your activities, approval statuses, trouble tickets, delinquencies, and other items. In the left **Sidebar** or from the **Desktop** drop-down menu, the **Desktop** tab provides links to the following pages:

- **My Activities** – Displays activities that have been assigned to you or that you share with other users. You can *reassign* an activity to another user, approve it, or mark it as *complete*.
- **Approval Statuses** – Displays the status of items for which you have requested approval due to authority limit checks.
- **My Trouble Tickets** – Displays any trouble tickets that have been assigned to you. You can reassign a trouble ticket to another user, close it, or create a new one.
- **My Delinquencies** – Provides access to all delinquencies.
- **Disbursements** – Displays a list of any opened or closed disbursements.
- **Suspense Payments** – Displays a list of suspense payments. The list can be filtered based on the criteria selected from the drop-down list. From the **Suspense Payments** screen, you can create a new suspense payment or disbursement. You can also edit, apply, or reverse a suspense payment.
- **My Agency Items** – Allows you to access, in one convenient location, information on exceptions for all producers who have you as their assigned account representative.
- **Held Charges** – Displays a list of any held charges that you are monitoring.

Account Tab

Use this tab to open a new account, to search for existing accounts by account number, or to see an account you already have open. Clicking to open a account shows the account **Summary** page. When you click the tab, it opens the last account you were working with. If you were not working with an account, clicking the tab opens a page that lets you choose whether to create a new account or search for an existing account.

Clicking the arrow for the **Claim** tab shows a drop-down menu with the selections **Acct #** (search by number), and any recently viewed accounts.

See also

- “Account Summary Information” on page 84

You can view or edit the following items associated with a BillingCenter account:

- Summary
- Contacts
- Funds Tracking information (if funds tracking is enabled)
- Distribution
- Payments
- Charges
- Disbursements
- Transactions
- Collateral
- Policies
- History
- Evaluation
- Invoices
- Invoice Streams
- Trouble Tickets
- Documents
- Account Notes
- Ledger
- Journal
- Delinquencies

In addition, you can add or edit the following new items for an account:

- Add a new policy
- Make a payment
- Create a transaction
- Transfer a policy from another account
- Add Document
- Add Note
- Add Email

Policy Tab

You can view or edit the following items associated with a BillingCenter policy:

- Summary information

- Contact information
- Transactions
- Charges
- Payment Schedule
- Commissions
- History
- Trouble Tickets
- Documents
- Policy Notes
- Ledger entries
- Journal entries
- Delinquencies

You can perform the following tasks:

- Change a policy
- Renew a policy

In addition you can add the following:

- Notes
- Documents
- Email

Producer Tab

You can view or edit the following items associated with a BillingCenter account:

- Summary information
- Contact information
- Policies
- Write-offs
- Direct Bill Commission Statements
- Agency Bill Cycles
- Agency Bill Payments
- Agency Bill Open Items
- Agency Bill Exceptions
- Agency Bill Suspense Items
- History
- Trouble Tickets
- Transactions
- Documents
- Producer Notes
- Ledger
- Journal
- Producer Disbursements

In addition, you can do the following:

- Make New Commission Payments

- Create Write-off Commission
- Create Write-off Commission Recovery
- Return Commission
- Create New Agency Bill Payment
- Create New Agency Bill Promise (for producers with an agency bill plan)
- Create New Agency Credit Distribution (for producers with an agency bill plan)
- Create Disbursement
- Disburse Credit Items
- Create New Note
- Create New Document
- Transfer Funds
- Create Write-off
- Create Negative Write-off

Search Tab

Use the **Search** tab to find:

- Accounts
- Policies
- Contacts
- Invoices
- Payments
- Producers
- Transactions
- Activities
- Trouble Tickets
- Delinquency Processes
- Disbursements
- Outgoing Producer Payments
- Payment Requests
- Direct Bill Suspense Items

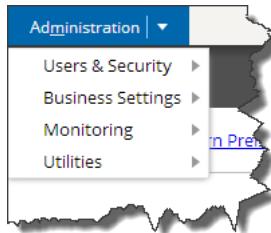
Some fields on search screens are text fields. When you enter text in one of these fields, BillingCenter searches for a match that *starts with* that text. For example, if you entered *Roberts* into the last name field, then the search returns all last names that start with *Roberts*. This would include: *Roberts*, *Robertson*, or *Roberts-Davis*.

You must enter an exact match in any field with a search icon shown to the right of the text input box. You can click the search icon to find the exact string if needed. For example, to search for an account by policy number, you must enter the exact policy number. To find the exact policy number, click the search icon next to the policy number text input field, and then search for policies that *start with* a text string.

For information on configuring search, see “BillingCenter Search Functionality” on page 315 in the *Configuration Guide*.

Administration Tab

Users with administrator privileges have access to the **Administration** tab. Some other roles also allow you to see this tab, but with limited choices. With full administrator privileges you can view and maintain many business elements that define how BillingCenter works.



You can access BillingCenter user and security settings from the **Users & Security** menu. You can define your organization's group structure and manage the users that belong to those groups. You can also specify permissions and roles, such as agency bill cashier, manager, supervisor, and so on, to control who is allowed to perform certain BillingCenter actions.

You can access BillingCenter plans from the **Business Settings** menu. You can create and maintain the plans that govern how key BillingCenter functions will work.

See “Administrative Tasks” on page 379 to learn about BillingCenter administration features.

See “Plan Types” on page 101 for information on BillingCenter Plans.

Auto Complete

Use auto complete to quickly retrieve policy information. Type of an account number and use the auto search capability to fill in possible matches to your search. This allows you to quickly find the account that you want and access the information in an efficient manner. This configurable feature can be turned off in the config.xml file.

Logging out of BillingCenter

To exit BillingCenter, click **Log Out** in the upper right hand corner of any BillingCenter page. If you have unsaved work, the icon (which is grey by default, and located to the left of the Options menu) appears in green. You can review your unsaved work and choose and, if desired, save it before you log out of BillingCenter.

For more information on the **Unsaved Work** menu, see “Unsaved Work Menu” on page 78.

Changing the Screen Layout

You can adjust several aspects of the screen layout according to your own preferences.

This topic includes:

- “Adjusting List Views” on page 69
- “Changing the Sidebar Width” on page 72
- “Managing Layout Preferences” on page 72

Adjusting List Views

You can change the default appearance of individual list views.

This topic includes:

- “Changing List View Column Order” on page 69
- “Changing List View Column Widths” on page 70
- “Sorting List Views” on page 70
- “Hiding and Showing Columns in a List View” on page 70
- “Grouping Rows in a List View” on page 71

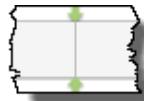
Changing List View Column Order

You can change the order in which columns appear in a particular list view. This change remains in effect until you clear the layout preferences.

To change where a column appears in a list view

1. Click and hold the left mouse button on the heading of the column that you want to move.

2. Drag the mouse pointer across the other column headings until it is between the two columns where you want to place the moved column. If it is valid to move the column there, two arrows point to the line between the columns:



3. Release the mouse button.

See also

- “Clearing Layout Preferences” on page 72

Changing List View Column Widths

You can resize a list view column to make it wider or narrower than it currently is. This change remains in effect until you clear the layout preferences.

To change the width of a list view column

1. Position the mouse pointer over the left or right border of the column heading. The pointer turns into a double arrowhead .
2. Drag the column border to the new width.

See also

- “Clearing Layout Preferences” on page 72

Sorting List Views

You can change the column on which a list view is sorted, and also the sorting direction. Note that you can sort on only one column at a time.

To sort a list view on a particular column

- Click the column heading.

To change the sort direction of a list view column

- Click the heading of the column on which the list is currently sorted.

Each time you click the column heading, the sort changes direction. An icon on the column heading indicates the direction in which the list is sorted:

Icon	Sort direction
	Ascending
	Descending

Hiding and Showing Columns in a List View

You can change which columns appear in a list view. This change remains in effect until you clear the layout preferences.

To hide or show columns in a list view

1. Position the mouse pointer over any column heading, and then click the drop-down menu icon  that appears at the right side of the heading.
2. In the drop-down menu, click **Columns**, and then click the columns that you want to change:
 - To hide a column, clear the check box for the column.
 - To show a column, select the check box for the column.

See also

- “Clearing Layout Preferences” on page 72

Grouping Rows in a List View

When multiple rows in a list view have the same value for a particular column, you can arrange them so that they are listed together in a group. Each group appears in the list view under a new heading row for the common value. For example, if you have a list of contacts, you can group them by their values in the **Type** column: **Person**, **Company**, **Doctor**, and so on. The related contacts are then listed together under a heading for each type. The following figure shows rows grouped by **Type**:

	Name	Type	City
 Company			
	Western Farmer's Supply	Company	Riverside
	Wright Construction	Company	Thornton
	Whole Foods	Company	La Canada
 Person			
	William Weeks	Person	La Canada
	William William	Person	La Canada
	Charles Washington	Person	La Canada

You can group a list view only by one column at a time.

To arrange list view rows into groups

1. Position the mouse pointer over any column heading, and then click the drop-down menu icon  that appears at the right side of the heading.
2. In the drop-down menu, click **Group By This Field**.

To ungroup list views

1. Position the mouse pointer over any column heading, and then click the drop-down menu icon  that appears at the right side of the heading.
2. In the drop-down menu, clear the **Show in Groups** check box.

To collapse or expand a group

- Click **Collapse**  or **Expand**  next to the group name.

Changing the Sidebar Width

You can resize the sidebar to make it wider or narrower than it currently is. This change remains in effect until you clear the layout preferences.

To change the width of the sidebar

1. Position the mouse pointer over the right border of the sidebar. The pointer turns into a double arrowhead .
2. Drag the sidebar border to the new width.

See also

- “Clearing Layout Preferences” on page 72

Managing Layout Preferences

BillingCenter remembers many changes that you make to the screen layout, and automatically saves them as *layout preferences*. For example, changes to the size, ordering, and visibility of list view columns are stored in the layout preferences. Once set, these preferences remain in effect, even if you log out and log back in.

How Layout Preferences Are Stored

Layout preferences are stored in your web browser’s local storage. Using the local storage has several implications:

- If you log in using a different browser, then BillingCenter uses the preferences stored with that browser, if any, rather than your preferences set in the first browser.
- If another user logs in to BillingCenter from your browser, their layout will reflect the preferences that are stored with your browser.
- Clearing the browser cache or cookies does not clear the saved layout preferences, and clearing the layout preferences has no effect on the browser’s cache.

Clearing Layout Preferences

To reset your layout changes back to their defaults, you must clear the layout preferences. This action does not affect the web browser’s cache.

To clear layout preferences

- In the Options  menu, click Clear Layout Preferences.

QuickJump

You can use the **QuickJump** text box in BillingCenter to enter navigation commands. The **QuickJump** box allows you to quickly jump to other parts of the application.

This topic includes:

- “QuickJump Overview” on page 73
- “Using QuickJump” on page 74
- “QuickJump Configuration” on page 74
- “QuickJump Reference” on page 75

QuickJump Overview

The **QuickJump** box provides a fast way for you to navigate elsewhere in the application. The box also provides auto-complete for both commands and parameters. Auto-complete means that you can type the first few letters of your destination, and the **QuickJump** box provides a list of any matching destinations. For example, typing the letter A displays all destinations that begin with A. Next, select your destination.

This configurable feature appears at the upper right corner of each BillingCenter screen.



Jump to a Screen or Entity

You can jump to particular screens (absolute commands) or entities. See “QuickJump Reference” on page 75 for the list of commands that BillingCenter provides.

Some of the **Screens** are the:

- Desktop tab
- Account tab

- Policy tab
- Producer tab
- Search tab
- Admin tab

Entities that BillingCenter provides are Account, Policy, and Producer. However, you can add others. To reach a specific destination you can append an argument (only one).

For example, to retrieve an account, type account and the account number, *Account C000143542*, and you jump to the **Account File Summary** screen. If you want to see a policy, type policy and the policy number, *Policy 25-123436*, and you jump to the **Policy Summary** screen.

Note: QuickJump is not available in pop-ups.

QuickJump Behavior in Wizards

Usually you use wizards to take you through a series of consecutive steps. However, in certain instances you can use QuickJump within a wizard:

- You can QuickJump to screens that are available on the left sidebar of the user interface.
- QuickJump actions in a wizard are only available when you are in that wizard. For example, you cannot jump from an account screen to a specific screen in a wizard.

Note: If you are in a wizard and decide to jump to another part of BillingCenter, your work will be lost if you do not save it first.

Using QuickJump

If the QuickJump box contains at least one command, then the QuickJump box appears on every screen in BillingCenter.

- **Using Only Keyboard Commands** – Type Alt /. The QuickJump box displays a list of commands that you can select.
- **Using the QuickJump Box in the User Interface** – Place your cursor in the QuickJump box and a list of commands appears.

Chaining QuickJump Destinations Together

You can jump to a specific destination, such as an account's policy. To chain QuickJump destinations, enter the entity name, add a space, then add the second entity name. For example, while viewing an account on the **Account** tab, suppose you want to retrieve information on a work order. You can type *Account C000212105*, type a space and the letter N. The screen displays a list of commands beginning with the letter N that are relevant to the account. Selecting *Account C00021215 NewTroubleTicketOnAccount* takes you to the New Trouble Ticket wizard.

QuickJump Configuration

You can configure the QuickJump box in the following ways:

- Remove QuickJump from the user interface.
- Add commands to jump to newly created screens.
- Change an existing command. Make this change if users have memorized commands on previous systems and want to keep them.
- Add an absolute jump command.

Studio Contains a QuickJump Configuration Editor

You can find the QuickJump resources in the QuickJump configuration tab under Page Configuration (PCF) in Studio. Selecting this resource opens the editor, which allows you to add, remove and rename QuickJump commands. For more information, see “Implementing QuickJump Commands” on page 119 in the *Configuration Guide*.

QuickJump Reference

The following table lists the QuickJump commands that BillingCenter supports. Some commands can be *chained*, that is to say, appended with other information, such as another entity name or a policy number.

Screen	Command
Account Summary	Enter Account, a space, followed by the account number
Account Search	AccountSearch
Activity Search	ActivitySearch
Contact Search	ContactSearch
Desktop -My Activities	MyActivities
Desktop -Approval Statuses	MyApprovals
Desktop -My Delinquencies	MyDelinquencies
Desktop -My Trouble Tickets	MyTroubleTickets
New Activity	NewActivity
New Disbursement	NewDisbursement
Payment Search	PaymentSearch
Policy Summary	Enter Policy, a space, followed by the policy number
Policy Search	PolicySearch
Producer Summary	Enter Producer, a space, followed by the producer name
Producer Search	ProducerSearch
Trouble Ticket Search	TroubleTicketSearch

Saving Your Work

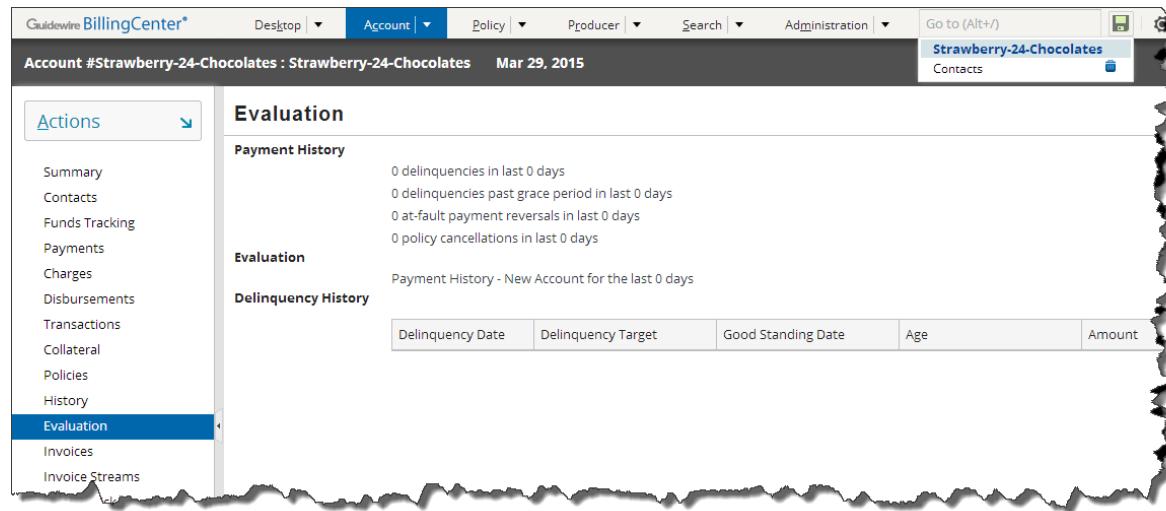
BillingCenter automatically saves your work to the database in wizards and through the  **Unsaved Work** menu in the user interface.

This topic includes:

- “Unsaved Work Menu” on page 78
- “Saving Your Work in BillingCenter Wizards” on page 78

Unsaved Work Menu

You can access your unsaved work from the  **Unsaved Work** menu in the Tab Bar. BillingCenter automatically saves your work whether you are in the **Desktop**, **Account**, **Policy**, **Producer**, or **Administration** tab or in a wizard such as the policy change wizard. If you leave one of those screens with unsaved changes, and navigate to another section of BillingCenter, the server keeps your information in memory. The database does not store your information. You are able to retrieve your work from the **Unsaved Work** menu, as seen in the following example. Selecting it returns you to that screen with your unsaved data. You can finish your work and save it by clicking **Update**.



The **Unsaved Work** menu is useful if you must navigate away from a screen but need to return to it later. After you complete and save your work, BillingCenter removes that item from the **Unsaved Work** menu. However, if you attempt to log out without saving, BillingCenter alerts you that your unsaved work will be lost if you continue.

Autosaving is the mechanism BillingCenter uses to save work that can be retrieved using the **Unsaved Work** menu.

Both `autosaveable` and `countsAsWork` default to `true` in the default application, which you can see in the PCF Editor in Studio.

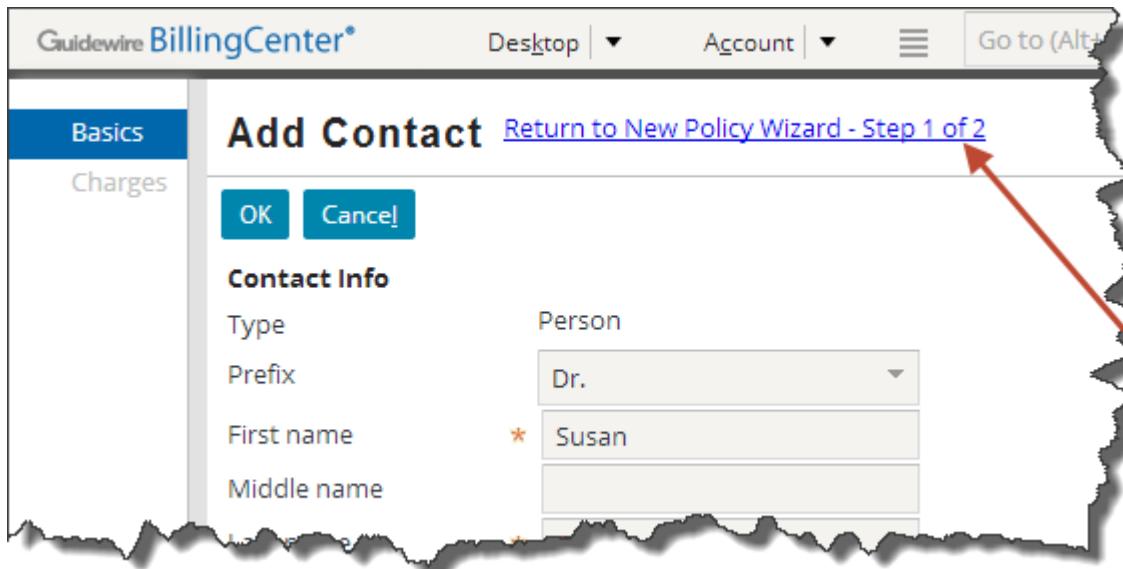
Saving Your Work in BillingCenter Wizards

When you work in a wizard, BillingCenter saves your information to the database. It saves every time you advance or go back in the wizard (by clicking wizard buttons such as **Back**, **Next**, **Add**, or **Finish**). It also saves when you navigate to a different step using the sidebar menu choices.

There are also times when you are in a BillingCenter wizard and you need to enter additional information that is technically not in a wizard step. Popup windows are an example of this.

Popup Window Behavior

In BillingCenter, a popup is a PCF element that can be edited in Studio. It is part of the wizard process, but it is *not* a wizard step. In the following example, **Add Contact** is a popup.



When you make changes or add information in a popup, BillingCenter does not commit those changes immediately to the database, but saves the changes to the enclosing *parent* page. If you navigate away without saving the parent page, the changes to both the parent page and the popup are caught in the **Unsaved Work** menu. For example, suppose you add a new contact to a policy, from the new policy wizard, and click **OK**. Then you navigate to the **Desktop**. In this case, the new contact data is not saved to the database, but will be stored in the **Unsaved Work** menu.

part III

Accounts, Policies, and Producers

Accounts

An account is a basic BillingCenter entity. This topic discusses setting up and maintaining accounts.

This topic includes:

- “Accounts Overview” on page 83
- “Creating a New Account” on page 84
- “Account Summary Information” on page 84
- “Searching for an Existing Account” on page 85
- “Editing Existing Account Information” on page 86
- “Closing an Account” on page 88

Accounts Overview

An account is a container that groups multiple policies under a person or a company.

The first step in the billing process is setting up new accounts and their associated policies. The account setup process creates the underlying structure that enables BillingCenter to track each account’s financial details, including account ownership, transactions, charges, and payments.

Much of the information needed to set up an account and its policies comes from the Policy Administration System (PAS) integrated with BillingCenter. However, in the BillingCenter base configuration, a billing clerk can use the user interface to create and setup accounts.

In the base configuration, each account is designated as one of the following types:

- **Insured**—indicates that this is the individual or entity covered by any associated charges.
- **Payer**—indicates that this account is the payer of any associated charges.
- **List Bill**—indicates that this account is the payer of charges for multiple different insureds.
- **Collection Agency**—indicates that this is the collection agency assigned any unpaid charges for a delinquent account.

After an account has been created, the account type cannot be modified.

An *insured* account is a person or organization that is the owner of one or more policies. An account is the responsible party for all policies on the account. Generally, the same account that owns a policy is the payer for the policy-related charges, but there are cases where the payer can be different from the account owner. In BillingCenter, an account contains all account-level billing information.

Accounts and the Underlying Accounting Structure

BillingCenter tracks the flow of funds for an account. When an account is created, BillingCenter also creates the underlying financial substructure associated with the account. This substructure is part of the Internal Accounting System. You can view the status of the account on the account **Summary** screen and the actions taken on each T-account in the account's **Journal** and **Ledger**. See "Internal Accounting System" on page 33 for more details on the underlying financial substructure.

Note: The term *account* refers to an entity that is the owner of one or more policies. The term *T-account* is an accounting term that refers to financial accounts that record a set of transactions and associated line items within the accounting subsystem.

Creating a New Account

BillingCenter and the policy administration system maintain shared accounts (however, not all accounts are shared). Typically, BillingCenter receives accounts from the PAS. When a new account needs to be created in BillingCenter, the PAS sends default values for certain fields to BillingCenter. BillingCenter creates the new account. After that, BillingCenter is the system of record for the changed fields.

The new account is created programmatically by calling the `BillingAPI` method `createAccount`. For more information see "Create an Account from an External System" on page 91 in the *Integration Guide*.

For an overview of PolicyCenter integration with BillingCenter, see "Policy Administration System Integration" on page 399. See also the "Billing Integration" topic in the *PolicyCenter Integration Guide*, which is in the separate documentation set for PolicyCenter.

You can also create a new account manually. Accounts that are not shared with the PAS (such as subaccounts and collection agency accounts) are created manually in BillingCenter. Also, a carrier that does not have a policy administration system may use BillingCenter as the system of record for accounts.

To create a new account in the BillingCenter user interface:

1. Choose the **Account** tab.
2. Click the **Actions** menu and select **New Account**.
3. Complete the information on the **New Account** screen. Each account must have one or more contacts, and one of the contacts must be specified as the primary payer.
4. After all the account information is entered, click **Create Account**.

Account Summary Information

After an account is set up in BillingCenter, you can view the account information on the account **Summary**.

Note: The account number appears in the Info Bar when there is a current account in the **Account** tab. The account name is also shown if that information was provided when the account was created.

The account **Summary** screen provides the following types of information:

Account Information	Description
Account Basics	<p>Includes the following Information:</p> <ul style="list-style-type: none"> • Account Name and Number. • Account Type describes the purpose of the account. Choices are Insured, Payer, List Bill or Collection Agency. • Any account designated as the Parent Account. • Account's Doing Business As name, specified business Segment, and Creation Date. • Any Security Zone assigned to the account. <p>This information comes from the data entered on the New Account screen.</p>
Contact Info	Includes the account's Primary Contact information. This information comes from the data added to the Add Account Contact screen. It is persisted in BillingCenter.
Company Type	Includes the Type of business and tax ID information. This information comes from the data entered on the New Account screen.
Account Totals	An ongoing tally of the account total including: Total Unbilled , Currently Billed , Past Due , and Outstanding amounts. The total amount includes the value of any account-level expenses and the total value of any policies associated with the account. Account-level charges include such things as fees and taxes.
Policy Totals	Includes an ongoing tally of the policy totals for the policies associated with the account including: Total Unbilled , Currently Due , Past Due , Outstanding , and Paid amounts. This amount includes the Total Value of all policies currently associated with the account.
Unapplied Funds	Includes the total amount of any unapplied funds associated with the account's Unapplied T-account and any associated suspense item amounts.
Collateral	Tracks the Status of any collateral requirements for the account, if collateral is required for either the account or any of the account's associated policies.
Billing Info	Identifies the billing information specified for the account. This includes designated Billing Plan , Fix Bill Date/Due Date , Invoices Fixed On dates, Send Invoices By , Invoice By , Separate Incoming Funds by , and Payment Instrument . BillingCenter keeps the Next Invoice Date and Next Payment Due Date current.
Write-offs	Includes the Write-off Amount of uncollected funds to be written off for the account. The account must have a remaining balance before a write-off can occur.
Delinquency	Identifies the delinquency information associated with the account including: the designated Delinquency Plan and any Delinquent Amount on the account.

The list view section of the account **Summary** includes the following information:

- Details of **Open Policy Status**
- Details of **Recent Payment Received**

Delinquency Process

You can manually start a delinquency process from the account **Summary**. Typically, however, a delinquency is triggered automatically for various reasons, such as an invoice becoming overdue. Every account has an associated delinquency plan, which controls how delinquencies are processed. See “Working with Delinquency Plans” on page 128 for details.

Searching for an Existing Account

Use one of the following methods to search for an existing account in the user interface:

- From **Search** → **Accounts** → **Search Accounts** screen, enter the search criteria for the account you want to view. You can also click the **Search** button to see a list of existing accounts.

- From the **Account** tab, click the drop down arrow to see a list of existing accounts. You can also enter the number of the account you want to view.

Editing Existing Account Information

You can modify the following fields on the account **Summary** screen:

- Parent Account**—allows you to select a parent account, making the current account a subaccount.
- Security Zone**—allows you to associate an account with a security zone to restrict access to information in the account to one or more specific groups.
- Billing Info** fields—controls invoice dates.
- Delinquency Plan**—controls how delinquencies are handled.

Account as Parent or Subaccount

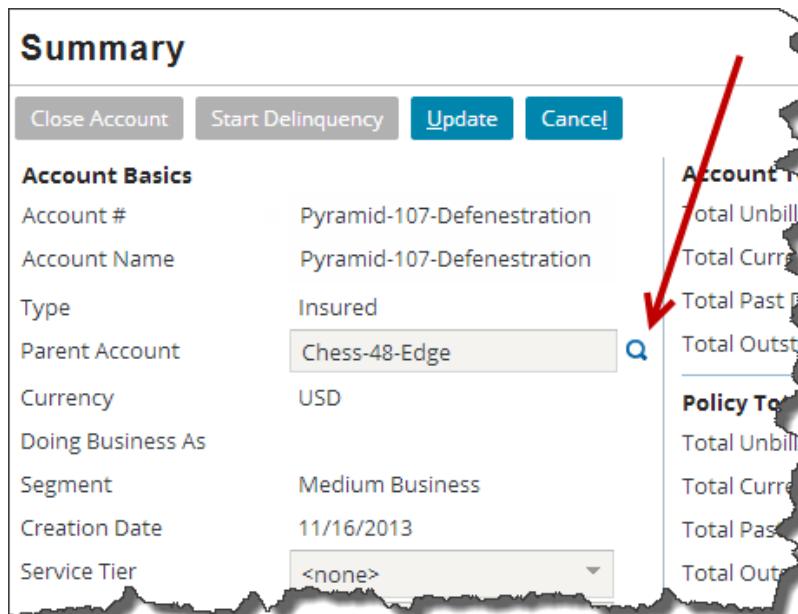
For business reasons, a hierarchical relationship can exist between accounts. In BillingCenter, you can set up this relationship between accounts by specifying that one account is the *parent* of one or more other accounts. The other accounts become the *subaccounts* in the relationship. This creates a link between the accounts. This hierarchical structure facilitates reassigning items from either the parent account to the subaccount or from the subaccount to the parent.

You can designate any BillingCenter account as the parent of *another* account thereby creating the hierarchical parent/subaccount relationship. An account cannot be its own parent.

To facilitate these types of relationships, the **Account** entity has a **ParentAccount** foreign key, which relates one **Account** entity to another **Account** entity.

To designate the parent account

On the account **Summary** screen, click **Edit**. Use the picker to select an account as the parent account. The parent account must be a valid BillingCenter account.



Assigning an Account to a Security Zone

You can assign or reassign an account to a security zone on the account **Summary** screen. This editable field allows you to associate an account with a security zone to restrict access to information in the account to one or more specific groups.

To assign an account to a security zone

1. Use the drop down arrow on the **Account** tab to select the account you want to assign.
2. From the account's **Summary** screen, click **Edit**.
3. Select the zone you want to assign from the **Security Zone** field's drop down list. The default is **null**.
4. Click **Update** to complete the process.

Now, only those in a group with access to the selected security zone can access this account.

See also

- “Groups” on page 384
- “Security Zones” on page 388
- “Overriding Security Zones” on page 389

Changing the Billing Info

The charge invoicing process uses one or more of the **Invoices Fixed On** fields to determine bill and due dates for invoicing charges associated with the account and its policies. The setting of **Fix Bill Date/Due Date** controls whether BillingCenter sets the bill date or due date first. The dates specified in the **Invoices Fixed On** fields control the date on which invoices are created. Because the accounts own the policies associated with them, all associated policies use the same set of dates.

You can modify the **Fix Bill Date/Due Date** field and any of the **Invoices Fixed On** fields. Any change to these fields results in an immediate change in the bill dates and due dates of all *planned* invoices. *Billed* and *due* invoices are not changed.

To modify the account Billing Info

On the account **Summary** screen, click **Edit**. Then make your changes to the **Billing Info** fields. To verify the results of your changes, go to the account **Invoices** screen.

See also

- “Charge Invoicing Process Overview” on page 182
- “Charge Invoicing Input” on page 183
- “Charge Invoicing Steps” on page 184

Changing the Delinquency Plan

An account must have a delinquency plan. A delinquency plan is a set of rules or attributes that specify how to handle an account or policy period delinquency. The delinquency plan defines a set of reasons for a delinquency. Each reason has an associated workflow that BillingCenter invokes when an account or policy period becomes delinquent, and the delinquency reason matches the reason in the delinquency plan.

To specify an account-level delinquency plan

On the account **Summary** screen, click **Edit**. Then choose a delinquency plan from the drop down list in the **Delinquency** section.

Closing an Account

To close an account click **Close Account** on the account summary screen.

BillingCenter does the following:

1. Checks whether the account can be closed. An account can be closed if the following conditions are met:
 - a. The account is not already closed.
 - b. All of the policy periods on the account are closed.
 - c. The remaining balance on the account is zero.
2. Sets the close date of the account to the current system time. The base product displays the account close date on the account **Summary** screen, but does not use it.

Policies

This topic discusses setting up and maintaining a policy which is a basic BillingCenter entity. The first step in the billing process is setting up new accounts and their associated policies.

Much of the information needed to set up an account and its policies comes from the Policy Administration System (PAS) integrated with BillingCenter. However, in the BillingCenter base configuration, a billing clerk can use the user interface to create policies.

This topic includes:

- “Policies and Policy Periods” on page 89
- “How Policies Are Added to an Account” on page 90
- “Policy Summary Information” on page 90
- “Searching for an Existing Policy” on page 91
- “Editing Existing Policy Information” on page 91
- “Adding a Policy Change” on page 92
- “Transferring a Policy Between Accounts” on page 93
- “Transferring a Policy Between Producers” on page 93

Policies and Policy Periods

A policy is a contract between the carrier and the insured. It is created by a Policy Administration System (PAS). The information about the policy is then submitted to BillingCenter in a message that results in a billing instruction. The billing instruction contains the charges and the effective dates for the policy period. The policy period defines the period of time that the policy is in effect. For example, a policy is bound for a six month policy period: from January to June. If the policy period is renewed for another six months, the effective date of the new policy period would be July and the expiration date would be December.

The `PolicyPeriod` entity in BillingCenter has properties that define billing information and is the container that holds accounting transactional information. For example, the policy period specifies the payment plan.

In BillingCenter, the account owns the policy and any policy periods. The primary payer account is ultimately responsible for paying all the policy period's charges.

How Policies Are Added to an Account

BillingCenter and the policy administration system maintain shared policies and policy periods. Typically, BillingCenter receives policy details from the PAS, creates the new policy, and policy period, and associates it with the relevant account.

It is also possible to create a new policy manually through the BillingCenter user interface. For example, a carrier that does not have a policy administration system may use BillingCenter as the system of record for policies.

To create a new policy or policy period and associate it with an existing account:

1. Find the relevant account and display it in the **Account** tab.
2. Select **Actions** → **New Policy**.
3. From the **New Policy Wizard**, complete the policy set up information in **Step 1 of 2**.
4. From **Step 2 of 2**, click **Add** to enter the charges for the new policy period.
For each charge, select a type (such as **Premium** or **Taxes**) and enter the amount. Optionally, you can specify a charge group to associate this charge with other related charges. You can also select an account that is not the policy owner as the default charge payer.
5. Click the **Finish** button to complete the process.

Policy Summary Information

After a policy is created, you can view the policy information on the policy **Summary**.

Note: The policy number appears in the Info Bar area followed by the account name and number.

The policy **Summary** screen provides the following type of information:

Policy Summary sections	Description
Policy Basics	Includes the policy number, information about the insured, and the account's effective and expiration dates. It also includes the policy's closure, cancellation, and delinquency statuses, indicates whether a final audit is required, and identifies any specified security zones. This information comes from the data specified when the policy is created or entered on the New Policy Wizard .
Account Information	Includes the account name and number. You can link back to the account Summary from this location by clicking the account number.
Insured Info	Contact information for the insured including, the name, address, and phone, and email.
Producer	Information about any producer associated with the account including, the producer name and code.
Billing	Consists of a single field, Billing Method , which is a button. The label on the button indicates whether the billing method is direct bill or agency bill. To change the policy billing method, click the button.
Charges	Includes the total of all charges associated with the policy including premiums, fees, and taxes.
Earnings	Includes the total amounts earning for the policy including premium, other, and total and indicates the percentage earned. Other earned items can be charges like taxes or fees. Depending on the charge pattern associated with these items, the BillingCenter accounting substructure creates a counter expense. For example, taxes are pass-through-charges and if a policy is assessed a tax, revenue and expense charges are created to balance the charge.

Policy Summary sections	Description
Payments	Specifies the associated payment plan and includes the last payment amount, date, and totals, and provides the total paid billed and value ratios.
Full Pay Discount	Indicates whether the policy is eligible for full pay discount, which allows you to discount an insured's policy premium if full payment is made by a specified date. Implementing this feature requires configuration.
Amounts Outstanding	Includes any past due payments owned on the policy and the total adjusted outstanding amount due.
Write-offs	Includes any amount that has been written off against the policy.
Equity	Direct bill only. Includes the most current earned equity to date information including the percentage of equity, paid thru date, and the remaining days until the paid thru date is reached. It also identifies if a cancellation is pending and provides the reason for the delinquency
History	Includes historical information about the policies inception and term number.
Delinquency	Includes a drop down list where you can associate a policy-level delinquency plan with the policy.

The list view section of the policy **Summary** includes the details of **Recent Transactions**. You can configure how many transactions appear in the list by changing the range of days to be searched.

Starting a Delinquency Process

You can manually start a delinquency process from the policy **Summary**. Typically, however, a delinquency is triggered automatically for various reasons, such as an invoice becoming overdue.

See “Working with Delinquency Plans” on page 128 for details.

Searching for an Existing Policy

Use one of the following methods to search for an existing policy in the user interface:

- From **Search → Policies → Search Policies** screen, enter the search criteria for the policy you want to view. You can also click the **Search** button to see a list of existing policies.
- From the **Policy** tab, click the drop down arrow to see a list of existing policies. You can also enter the number of the policy you want to view.

Editing Existing Policy Information

You can modify the following fields on the policy **Summary** screen:

- Security Zone**—allows you to associate a policy with a security zone to restrict access to information in the policy to one or more specific groups.
- Delinquency Plan**—controls how delinquencies are handled.
- Billing Method**—controls whether the policy is direct bill or agency bill.

Assigning a Policy to a Security Zone

You can assign or reassign a policy to a security zone on the policy **Summary** screen.

To assign a policy to a security zone

- From the policy **Summary** screen, click **Edit**.

2. Select the zone you want to assign from the **Security Zone** field's drop down list. The default is **null**.

3. Click **Update** to complete the process.

Now, only those in a group with access to the selected security zone can access this policy. However, if you have access to the associated account, you can see some policy information on the lower half of the account's **Summary** screen.

See also

- “Groups” on page 384
- “Security Zones” on page 388

Specifying a Policy-Level Delinquency Plan

You can specify a policy-level delinquency plan. If a delinquency event occurs, BillingCenter first checks for a policy-level delinquency plan. BillingCenter uses the policy-level plan if it exists. If not, BillingCenter uses the associated account-level delinquency plan.

To specify a policy-level delinquency plan

On the policy **Summary** screen, click **Edit**. Choose a delinquency plan from the drop down list in the **Delinquency** section.

Changing the Billing Method

Changing the policy billing method assigns a new payer for all items belonging to the policy. For details on changing the billing method, refer to “[Changing the Billing Method on a Policy](#)” on page 215.

Changing the Payer of Policy Charges

An account *owner* owns the policies and policy periods associated with the account and is responsible for any related charges. When an account is associated with a policy period, that account becomes the owner of that policy period. By default, the account is responsible for paying any charges associated with the policy period and any renewals.

An account *payer* is responsible for paying the charges associated with the account and any related policies and policy periods. By default, the account *owner* is the payer. However, a billing instruction can specify a different payer for any charge. This payer becomes the charge's *default* payer. All items resulting from the charge are assigned to the default payer.

You can reassign any items associated with an existing charge to a different payer. The reassigned items will appear on the *new* payer's invoice. To reassign an item in the user interface, see “[Manually Reassigning a Payer](#)” on page 211 for details.

Even if the item has been reassigned to a different payer, the *owner* of the item does not change.

Adding a Policy Change

Throughout the policy life cycle, the PAS can send BillingCenter updates to the policy. These updates can be modifications to the policy's attributes as well as policy change charges.

The BillingCenter user interface provides the facility for creating policy change charges.

To create a policy change in the BillingCenter user interface:

1. From the policy **Summary**, choose **Actions** and click **Change Policy**.

2. From the **Policy Change Wizard (Step 1)**, you can specify the following details:
 - Policy's Effective Date
 - Policy's Description
 - Special handling for the change
3. Click **Next**.
4. Click **Add** to enter premium charges, reinstatement fees, or tax charges.

Transferring a Policy Between Accounts

You can transfer a policy or policies from one account to another using the **Account Transfer Wizard**. The target account becomes the *owner* of the policies.

To initiate the transfer of a policy to a different account:

1. Find and display the account that owns the policy or policies you want to transfer.
2. From the **Actions** menu, select **Transfer Policies**. The **Account Transfer Wizard** opens.
3. Find the target account for the transfer. You can use the **Accounts** search facility to locate the account.
4. Click the **Select** button next to the target account. This takes you to Step 2 of the **Account Transfer Wizard**. The policies belonging to the source account are listed.
5. Select the policies you want to transfer.
6. Click **Finish** to complete the transfer.

For a direct bill policy, the policy transfer makes the target account the owner of the policy. It also sets the target account as the default payer of all charges on the policy and as the payer of all invoice items. All previously billed invoice items are placed on the first planned invoice of the target account.

For an agency bill policy, the policy transfer sets the target account as the policy owner. However, the producer remains the payer of the invoice items.

Transferring a Policy Between Producers

The BillingCenter application supports two methods to transfer a policy and its related charges and commissions.

- Transfer by policy, which enables the transfer of a single policy between producers.
- Transfer by producer, which enables the transfer of one or more policies between producers.

For each item transferred:

- BillingCenter moves the remaining Commissions Reserve balance to the new producer.
- BillingCenter adjusts the commission totals for both the original and new producers.
- For agency bill producers, if the producer role is **Primary**, BillingCenter sets the new producer as the payer.
- BillingCenter executes a commission adjustment transaction. This is performed because the new producer can have a different commission subplan.

To transfer by policy, start at Step 1 below. To transfer by producer, skip to Step 4.

1. To transfer by policy, find the policy you wish to transfer.
2. From the **Policy → Commissions** screen, click **Transfer Policy**. The **Transfer Policy** wizard opens.
3. Choose the role of the original source producer that you want to transfer (**Primary**, **Secondary**, or **Referrer**). The associated producer and producer code, if any, are auto-filled. Click **Next**. Skip to Step 8.

4. To transfer by producer, find the producer who currently owns the policy or policies you wish to transfer.
5. From the Producer → Policies screen, click Transfer Policy. The Transfer Producer wizard opens.
6. Choose the producer code for the original source producer and click Next.
7. Select the policy or policies you want to transfer and click Next.
8. Choose the new producer and producer code.
9. Select a Commission Option. The supported options are described below. After selecting an option, click Next.

Commission Option	Description
All future commissions to new producer	Transfer all future, unbilled charges and their related commissions. The transferred commissions are recalculated using the new producer's commission plan. Billed charges and their related commissions remain unchanged with the original producer.
Commissions retroactive to effective date transfer to new producer	Transfer all charges and related commissions retroactive to the policy's effective date. The transferred commissions are recalculated using the new producer's commission plan. If commissions for the transferred charges have already been applied to the original producer, the commission transactions are reversed. Any commissions previously paid to the original producer for the reversed transactions become owed to the insurer. Performing a retroactive transfer is useful when a new policy is mistakenly associated with an incorrect producer.
Point-in-time transfer to new producer	Transfer commissions that have yet to be earned and their related charges. The transferred commissions are <i>not</i> recalculated using the new producer's commission plan. Instead, they remain unchanged using the original producer's commission plan. Commissions earned by the original producer at the time of the transfer remain unchanged.

10. Review the commission transfer parameters. To confirm and execute the transfer, click Finish.

Producers

A producer connects clients to insurers by selling new policies to clients and renewing existing policies. In exchange for this service, insurers pay commissions to the producer.

A BillingCenter producer can participate in a direct billing process, an agency billing process, or both. In a direct billing process, insured clients are billed by the insurer and send payments to the insurer. Commissions are paid by the insurer to the producer. In an agency billing process, insured clients are billed by the producer and also send payments to the producer. The payments for multiple insured clients are often consolidated into a single transaction. The insurer bills the producer, who sends payment, minus commissions, to the insurer. For detailed information, see “Direct Bill Processing” on page 275 and “Agency Bill Processing” on page 337.

This topic includes:

- “Creating or Editing a Producer” on page 95
- “Setting Up a Commission Plan” on page 96
- “Assigning a Producer to a Security Zone” on page 97
- “Transferring a Policy” on page 97

Creating or Editing a Producer

If BillingCenter is integrated with an external policy administration system (PAS), producer information is typically received from the PAS. Producers can also be created manually in the BillingCenter user interface.

When creating a producer, the following information is required:

Required Information	Description
Producer Name	The name of the producer or the name that the producer will be known by in BillingCenter.
Tier	Used to signify the level of business that the producer generates. The producer’s tier determines the available commission plans for that producer’s codes.
Payment Frequency	Specifies how often the producer receives commission payments.

Required Information	Description
Hold Negative Amounts	Determines what action to take when a direct bill producer owes the carrier money. A "Yes" means that the amount owed by the producer will be held to be netted against future (positive) commission earnings. "No" means that the producer is to be billed for the amount owed. The option does not apply to agency bill producers.
Payment Instrument	Indicates which payment method is used to pay commission to the producer.
Commission Day of Month	Used to calculate the next commission payment date.
Agency Bill Plan	Associates the producer with an agency bill plan. This field is required only if the producer will service agency bill policies.
Producer Code	A unique identifier. One or more producer codes must be defined when the producer is created. Each producer code is associated with a single commission plan, which determines the commissions paid to the producer. The system of record for producer codes is typically an external Producer Management System.
Commission Plan	Defines the method used to determine a producer's commissions. Each producer code is associated with a single commission plan.
Active?	Indicates whether the producer code can be assigned to a policy period.

To create a producer in the BillingCenter user interface:

1. Select the **Producer** tab, then **Actions** → **New Producer** to show the **New Producer** wizard.
2. Enter all required fields. To create a producer, a primary contact must be defined. To specify the primary contact, click **Add** to create a new contact or **Add Existing Contact** to select from the contacts known to BillingCenter. In the **Roles** field of the **Producer Contact Detail** screen, add the **Role of Primary**. After all the information is entered, click **Next**.
3. Enter at least one producer code. Complete all other required information. To create the new producer, click **Finish**.

To edit an existing producer:

1. From the **Producer Summary** screen, click **Edit**.
2. Modify the desired fields. To save the modifications, click **Update**.

Creating a Producer Programmatically

For information on creating a producer from an external PAS, see “Create or Update a Producer” on page 97 in the *Integration Guide*.

Setting Up a Commission Plan

When a producer is created, it must be assigned to one or more commission plans. Each producer code associated with a producer is related to a commission plan. The commission plan determines the amount of commission to be paid to a producer.

For complete information about commission plans, see “Commission Plans” on page 145.

To set up a new commission plan

1. With the **Administration** tab active, select **Actions** → **New Commission Plan** to show the **New Commission Plan** screen.
2. Enter the relevant information to define the desired commission plan. When finished, click **Update**.

To view commission plan details:

1. With the **Administration** tab active, select **Business Settings** → **Commission Plans** to view a list of existing plans.
2. Click a commission plan in the **Plan Name** column to view that plan's information.

Assigning a Producer to a Security Zone

A security zone can be assigned to a producer from the producer **Summary** screen. The security zone restricts access to the producer's information. Only users assigned to the same security zone as the producer can retrieve and view the producer's information.

For additional information about security zones, see "Security" on page 383.

To assign a producer to a security zone

1. From the producer **Summary** screen, click **Edit**.
2. In the **Security Zone** field, select the desired security zone from the drop down list. The default security zone is **None**.
3. To save the selected security zone, click **Update**.

Transferring a Policy

Instructions on transferring a policy and its associated charge items and commissions between producers are described in "Transferring a Policy Between Producers" on page 93.

part IV

BillingCenter Plans

BillingCenter Plan Overview

This topic provides an overview of the supported BillingCenter plans.

This topic includes:

- “Plan Types” on page 101
- “Working with Plans” on page 103

Plan Types

A BillingCenter *plan* is a pre-defined set of rules and key attributes that when bundled with certain processes allows you to carry out key billing functions. The plans provide you with a place where you can encapsulate common information in one place so that it can be reused in other areas of BillingCenter. BillingCenter provides you with several plans that you can use to customize and implement sophisticated business processes based on the use of the plans. You can also use a plan to configure automated processes that are associated with accounts, policies, and producers. You can create your own plans or use the samples shipped with BillingCenter as templates. Plans can be associated with accounts, policies, and producers.

BillingCenter provides the following types of plans:

Billing Plan

Billing plans determine how to handle invoicing at the account level. Invoicing is the process that takes a charge and based on specifications, including those in the billing plan, divides the charge into invoice items and places the items on invoices. For example, a charge is divided into monthly installments and each monthly invoice contains an installment item.

Use Billing plans to define:

- How invoices are sent to customers.
- How payments are expected.
- When invoices are sent (for example, if the invoice amount is less than a defined threshold).
- What to do in special circumstances such as low balances.

- How to handle automatic distributions.

See “Working with Billing Plans” on page 110 for details.

Agency Bill Plan

Agency Bill plans determine how the agency bill process is to be handled for a producer. For example, it indicates whether the producer will use statement bill or account current processing. With *statement bill* processing, the producer receives a statement from the carrier each month that is a best estimate of what the producer owes the carrier for that month’s business. With *account current* processing, also called *promise to pay*, the producer sends the carrier an accounting of what will be paid for that period. In both cases, these processes allow time for exceptions to be uncovered and resolved.

Use Agency Bill plans to:

- Specify that a producer is using the agency bill process.
- Control the entire agency bill cycle.
- Specify how to handle items on billed statements if the items are moved or reversed.

See “Working with Agency Bill Plans” on page 136 for more details.

Commission Plan

Commission plans determine the commission to be paid to a producer. You use a commission plan to specify:

- The items on which producers earn commission and bonuses
- The way to override commission rates in favor of special rates by producer role

Commission is paid to the producer codes associated with a producer. The commission plan ties commission rates to producers by role. For example, a rate is specified for **Primary**, **Secondary**, and **Referrer** producer roles. If the producer is **Primary**, the producer code associated with that producer is paid the rate specified for the primary producer in the commission plan.

Use Commission plans to:

- Specify a relationship between the commission plan and an individual producer’s producer codes (a single producer may have several codes).
- Override the default commission rate based on which subplan is applied. Because each commission plan can have one or more subplan, there is a user controllable ordering ability.
- Apply different commission rates based on the type business, new business versus renewals, and other criteria.
- Add subplans to any commission plan, bound or unbound.
- Configure commission plan restrictions whenever there is more than one subplan in a commission plan.

See “Working with Commission Plans” on page 151 for details.

Delinquency Plan

Delinquency plans are a predetermined sequence of events that BillingCenter uses to invoke a sequence of automatic events if an account becomes past due. (An account becomes past due if one or more policies held by that account becomes past due). The workflow assigned to the plan determines this sequence of events.

Use Delinquency plans to specify:

- Cancellation target (all policies on the account or just the delinquent one).
- Grace period
- Late fees
- Amount thresholds.

- Associated workflow.
- Events that trigger a delinquency.

See “Working with Delinquency Plans” on page 128 for details.

Payment Plan

Payment plans determine how payments will be set up and spread over the term of the policy. As with billing plans, payment plans also are part of the charge invoicing process. The payment plan specifies payment intervals, such as monthly or weekly, if there is a down payment, and the number of installments for the policy period. It also specifies how invoicing is handled for down payments, first installments, and one-time charges. For example, to indicate when to invoice a **First Installment**, specify the number of days after a certain event that you want to use as the trigger. The events include options such as **Charge Date**, **Policy Effective Date**, or **One Interval After the Policy Effective Date**.

Use Payment plans to specify:

- Down payment percentage
- Number of installment payments
- Frequency of the invoices
- Date by which the last invoice must be billed
- Invoicing fees
- How down payments will be invoiced
- How installments will be invoiced
- How a full payment will be invoiced

See “Working with Payment Plans” on page 119 for details.

Payment Allocation Plan

Payment Allocation plans centralize the logic for handling incoming automatic payments. The payment allocation plan specifies which invoice items are paid and in what order they are paid. Every account has an associated payment allocation plan. This plan specifies how payments are distributed, as follows. The plan first specifies categories of items eligible for payment, and then specifies the order in which these items are paid.

See “Payment Allocation Plans” on page 123.

Return Premium Plan

Return Premium plans specifies how to allocate a credit to pay positive invoice items. See “Introduction to Return Premium Plans” on page 191 for more information.

Working with Plans

When working with BillingCenter plans, you have several actions that you can perform.

Viewing a List of Existing Plans

To view a list of plans, select the **Administration** tab and choose the appropriate type of plan from the drop-down menu. Then select the plan you want to view from the list of existing plans on the plan page. (The list of plans includes those that are part of the base BillingCenter configuration and those that you create yourself.)

Choose an option from the **Show** filter list at the top of the page to filter the list and determine which set of plans you view. Select the plan that you want to view from the list of existing plans.

Each BillingCenter plan has a similar list page that provides the following basic information:

- Name and description of each plan, if the information is provided when the plan is created.
- Effective and expiration dates, if the information is provided when the plan is created.
- Up and Down columns used to prioritize the order of the plans. (See Prioritizing Plans for details.)

Prioritizing Plans

Each BillingCenter plan has a page that lists those plans in descending order. You see this list when you first select the desired plan. You can use the options in the **Up** or **Down** columns to reorganize the plans by priority. For example, select the **Move Up** or **Move Down** options for the desired plan to reposition the plans in the list. This changes a plan's priority in the list using the **Up** and **Down** columns. If a specific plan is not assigned to the account or policy in the billing instruction, BillingCenter scans the list of plans in ascending order of priority. It then chooses the first plan that matches the available criteria.

Creating or Cloning a Plan

You can either create a new plan or clone an existing one to use as a template for a new plan.

To create a new plan

From **Administration → Actions**, select the option for the appropriate plan from the side menu bar. This opens a template of a new plan with default options. Depending on which plan you choose, follow the instructions for that plan in the following topics to create the new plan.

To clone an existing plan

From **Administration → Actions**, select the applicable plan option. The fields of the cloned plan default to the values of the parent plan, except for the name. However, all values can be modified. Choose the plan you want to clone from the list of existing plans.

Sample BillingCenter Plans

BillingCenter ships a set of sample plans that you can use for testing purposes or as the basis for cloning your own plans. These plans will not be available in a production environment.

Editing Plans

Most plans can be edited. However, once a billing plan is in use, the ability to edit it is limited. You will only be able to edit the expiration date because one or more accounts depend on that billing plan. If you need to make other changes to the billing plan, clone the plan and use it as a template for a new plan. You can then rename and edit the cloned plan to meet your new requirements.

Billing Plans

A *billing plan* is the basis for automated billing. A billing plan contains information on how the account is to be billed. It contains any billing information that does not vary from policy to policy, but rather is the same for all policies for a given account.

- “Billing Plan Settings” on page 105
- “Working with Billing Plans” on page 110
- “Related Billing Plan Documentation” on page 110

Billing Plan Settings

Billing plans consist of settings in the following categories:

- Basic Settings
- Fee Handling Settings
- Aggregation Settings
- Low Balance Invoices Settings
- Disbursements Settings
- Payment Requests Settings

Basic Settings

The billing plan contains basic account billing information. The most important settings are **Lead Time**, **Non Responsive Lead Time**, and **Fix Payment Due Date On**. These settings play an important part in determining when items are placed on invoices during the charge invoicing process.

The **Lead Time** and **Non Responsive Lead Time** settings play an important part in how BillingCenter determines when to invoice charges and when payment is due. Use **Non Responsive Lead Time** with non responsive payment instruments such as credit card payments or electronic funds transfers.

You can customize the **Fixed Payment Due Date On** setting to specify an alternate payment due date if the original due date falls on a holiday. For example, suppose that the usual payment due date is the 25th of the month. In many countries, the 25th of December is a holiday. In such a case, you can specify that payment is due on the previous business day or the next business day.

The Basic settings include the following:

Setting	Billing plan field	Description
Name	Name	A unique, short name for the plan. This name appears on the account summary screen, and on the new account screen a list of names is available when creating a new account manually. This setting is required.
Description	Description	A brief distinctive description of the billing plan. This setting is optional.
Lead Time	PaymentDueInterval	Number of days between invoice billing date and payment due date. This setting is required.
Non Responsive Lead Time	NonResponsivePmntDueInterval	Lead Time for non responsive payment instruments. Non responsive payment instruments include credit cards and ACH/EFT. Identifies the number of days between the invoice date and the payment due date when the account's payment instrument is non responsive. This setting is required.
Fixed Payment Due Date On	PaymentDueDayLogic	If a due date falls on a non-business day, you set the due date to the Exact Day , the Next Business Day , or the Previous Business Day . This setting is required.
Dunning Lead Time	DunningInterval	Number of days between dunning invoice date and over-due payment due date. This setting is required.
Effective Date	EffectiveDate	The first date on which the plan is valid. The billing plan can be used on or after this date. This setting is required.
Expiration Date	ExpirationDate	Last date on which the plan is valid. The billing plan cannot be used after this date. This setting is optional.

The **Effective** and **Expiration Dates** control whether a billing plan is available to be associated with an account. The date that the account is created must fall within these dates.

Fee Handling Settings

Fees are charges that are billed immediately. A fee is never divided into a down payment and installments. Fees are created based on a charge pattern.

The **Fee Handling** settings are:

Setting	Billing plan field	Description
Invoice Fee	InvoiceFee	Specifies an account-level fee for managing invoices for direct bill policies. This setting is optional.

Payment Reversal Fee	PaymentReversalFee	Specifies a fee for payments reversed because of insufficient funds. This setting is optional.
Skip installment fee on policies	SkipInstallmentFees	A policy's payment plan can specify that a fee be charged for each billed installment. The billing plan's Skip installment fee on policies setting specifies whether to override the payment plan's installment fee. If this setting is Yes, any installment fee defined in the policy's payment plan will not be charged. This setting is required.

Aggregation Settings

There is one Aggregation setting, **Line Items Show**, which specifies how, if at all, invoice items are combined on an invoice:

Setting	Billing plan field	Description
Line Items Show	Aggregation	<p>The possible values are as follows, listed in decreasing levels of aggregation:</p> <ul style="list-style-type: none"> • Policies – Combine all invoice items relating to one policy into a single line on the invoice. • Contexts – Combine, for each policy, all invoice items which have the same context. BillingCenter defines ten contexts: Audit, Policy Issuance, Renewal, Policy Change, New Renewal, Cancellation, Reinstatement, Premium Report BI, Premium Report Due Date, and General. • Categories – For each context of each policy, combine all invoice items with the same category into one invoice line. Context is a field of the invoice item's charge pattern, and can have the values Fee, General, Premium, or Tax. An invoice will contain at most four line items for each context, or at most 40 line items per policy. This includes four categories for each of the ten possible contexts. • Charge Groups – Combine all invoice items relating to one policy which have the same charge group and show them aggregated by this group. • Charges – Do not combine invoice items in any way, but show them as separate invoice line items. <p>This setting is required.</p>

When you view an invoice in BillingCenter, you can change the aggregation type. This field can be used by integration code to produce invoice documents at the preferred granularity.

Low Balance Invoices Settings

The **Low Balance Invoices** settings allow you to specify how BillingCenter handles balances below a specified threshold. If a billed invoice has a small balance, you can specify that invoice batch process will carry forward or write off the amount due rather than bill the customer. The cost of creating, sending and maintaining an invoice may be more than the amount to be collected.

For example, if the balance on an invoice is less than the threshold value of \$10, then the invoice batch process does not create an invoice. Instead, the balance is either carried forward to the next planned invoice or written off.

Note: If the amount is written off, then items on the invoice are reversed. and those reversals pay off the original items. If the amount is carried forward, then the amount is added to the next Planned Invoice.

The settings for Low Balance Invoices include:

Setting	Billing plan field	Description
Suppress invoices with balance below	SuppressLowBalInvoice	Specifies whether or not BillingCenter generates an invoice for a low balance. This setting is required.
Threshold	LowBalanceThreshold	If a low balance invoice is to be suppressed, specifies the amount below which the invoice is suppressed. This setting is required if the billing plan is set to suppress low balance invoices.
Method	LowBalanceMethod	If a low balance invoice is to be suppressed, specifies how the amount will be handled. It can be carried forward or written off. This setting is required if the billing plan is set to suppress low balance invoices.

Disbursements Settings

The **Disbursements** settings specify how automatic disbursements are handled for accounts. After making a payment, if an insured's account has surplus funds, BillingCenter can automatically create a disbursement to refund the surplus to the insured. Depending on the size of the surplus, the amount to be disbursed may exceed the authority limits of some users. In this case, the disbursement requires an approval activity. Disbursement settings specify how to handle the creation of the approval activity and indicate whether that approval is required to disburse the funds when the due date is reached.

The disbursement settings are used by the disbursement batch process. When this batch process runs, BillingCenter checks for approved disbursements whose due dates have passed and creates a disbursement to pay the surplus amount to the account.

The **Disbursements** settings include:

Setting	Billing plan field	Description
Review Disbursements Over	ReviewDisbursementsOver	Specifies a threshold for the surplus, that if reached triggers the requirement of an approval prior to disbursement. This setting is required.
Delay Disbursement Processing Days	DelayDisbursement	Specifies the number of days after the Due date that the surplus is to be disbursed. This setting is required.
Automatic disbursement when surplus exceeds amount available for disbursement plus	DisbursementOver	Specifies a threshold amount for the disbursement. A disbursement will only be triggered when the account surplus exceeds the amount under contract by this amount. This setting is required.
Calculate amount available for disbursement as	AvailableDisbAmtType	Specifies how to calculate the disbursement amount. The options are: <ul style="list-style-type: none"> • UnappliedMinusAUC – Unapplied amount minus the amount under contract. • UnappliedMinusBilled – Unapplied amount minus the amount currently billed and due. To determine the amount to be disbursed, BillingCenter compares this field to the Automatic disbursement value. This setting is required.

Setting	Billing plan field	Description
Create automatic disbursements with associated approval activities	CreateApprActForAutoDisb	If Yes, BillingCenter associates an approval activity with the automatic disbursement. If No, BillingCenter does not associate an approval activity with the automatic disbursement. This setting is required.
Send automatic disbursements awaiting approval on their due dates	SendAutoDisbAwaitingApproval	If Yes, BillingCenter automatically disburses the surplus when the Due date arrives even if an approval is still pending. If No, BillingCenter does not automatically disburse the surplus when the Due date arrives. Instead, continues to wait for an approval. This setting is required.

See Also

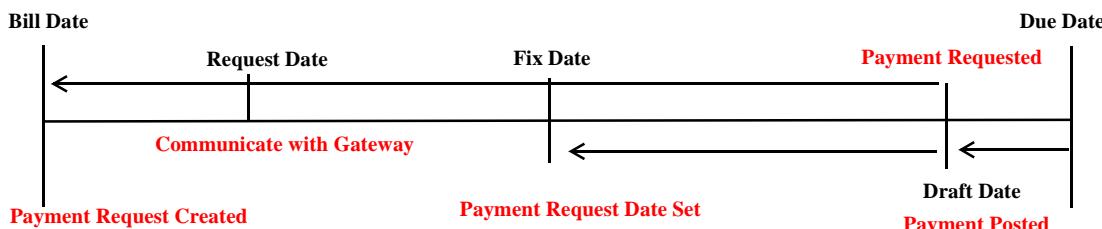
- “Scheduling Work Queue Writers and Batch Processes” on page 113 in the *System Administration Guide* for details.
- “Disbursement Batch Processing” on page 129 in the *System Administration Guide* for more details on the Disbursement worker queue/batch process.
- “Automatic Disbursements” on page 320

Payment Requests Settings

A **Payment Request** is used to bill an account that uses a *non responsive* payment instrument. Examples of non responsive payment instruments are credit cards, wire transfers, or ACH/EFT accounts. When the payment request batch process is run, BillingCenter uses the payment due date and the payment requests settings to determine when a payment must be requested. The payment requests settings apply to both one-time and recurring payments.

The payment request process begins on the bill date when an invoice is created. If an account has a non responsive payment instrument, BillingCenter creates a payment request at the same time the invoice is created. On the Request Date, BillingCenter optionally communicates with the payment gateway to determine when to fix the Draft Date. On the draft date, BillingCenter sends the payment request to the payment gateway and posts the payment.

The following diagram shows the payment request process. The dates relate to the payment request settings and the red type indicates the action that occurs when those dates are reached.



The Payment Request settings include:

Setting	Billing plan field	Description
# Of Days After Invoice Billed That A Payment Request Is Made	RequestInterval	Specifies the number of days after the Bill Date that the payment request is created. This setting is required.
# of Days Before Draft Date That A Payment Request is Fixed	ChangeDeadlineInterval	Specifies the number of days before the Draft Date that a payment Request Date is fixed. This setting is required.
# Of Days Before Due Date That A Payment Is Drafted	DraftInterval	Specifies the number of days before the Draft Date that a payment request is drafted (sent to the bank, credit card company, or clearing house). This setting is required.
Fix Draft Date On	DraftDayLogic	Specifies what date to use if Draft Date falls on a holiday. Options include Exact, Next Business Day, and Previous Business Day. This setting is required.

Note: The Draft Date is the date the payment request is sent to a bank, credit card company, or clearing house (payment gateway). BillingCenter assumes that payment is received by this date and posts the payment.

Working with Billing Plans

In general, a billing plan determines:

- Invoice lead time and non responsive lead times (due dates).
- Invoice fees, such as those for insufficient funds (NSF).
- Whether to suppress an invoice for a low balance.
- What level of invoice item detail to show (if and how invoice items are to be combined).
- How to handle disbursements and payment requests.

Associating Billing Plans with Accounts

A billing plan is associated with an account at the time that the account is created. When a Policy Administration System sends a request to create the new account, the request must include the billing plan. You also must specify a billing plan when you create a new account manually.

Related Billing Plan Documentation

The following list describes a number of additional topics related to billing plans:

Topic	See
Overview of plans	• “BillingCenter Plan Overview” on page 101
Viewing existing plans	• “Viewing a List of Existing Plans” on page 103
Prioritizing the order of plans on the plan’s list page	• “Prioritizing Plans” on page 104
Creating, cloning, and editing plans	• “Creating or Cloning a Plan” on page 104 • “Editing Plans” on page 104
How to create an account	• “Creating a New Account” on page 84

Topic	See
How information is sent to BillingCenter from a PAS	<ul style="list-style-type: none">“Billing Instructions” on page 159
How Payment Plans work with charge invoicing	<ul style="list-style-type: none">“Working with Payment Plans” on page 119

Payment Plans

A *payment plan* specifies how charges for a new policy or a renewal are divided into invoice items and placed on invoices. The payment plan also controls how frequently the charges are invoiced. The underlying BillingCenter charge invoicing process does the actual invoicing. See “Charge Invoicing Process” on page 181 for a detailed discussion of the charge invoicing process.

This topic includes:

- “Payment Plan Contents” on page 113
- “Payment Plans and Charge Invoicing” on page 117
- “Payment Plan Fee Specifications” on page 118
- “Working with Payment Plans” on page 119
- “Payment Plan Modifiers” on page 119
- “Aligning Payment Schedules” on page 120
- “Changing the Payment Schedule” on page 120

Payment Plan Contents

To view the available payment plans, select **Administration** → **Business Settings** → **Payment Plans**. To view a particular payment plan’s settings, click on the plan’s **Name**. Payment plan settings are organized into five sections shown in the screen below.

- “Payment Plan” on page 114
- “Invoicing Window” on page 114
- “Invoicing Treatment Details” on page 115
- “Payment Timing Settings” on page 115

- “Payment Plan Overrides” on page 116

The screenshot shows the Guidewire BillingCenter interface with the title "A Monthly 10% Down, 9 Max installments". The left sidebar has a tree view with "Payment Plans" selected. The main area has tabs for "Edit" and "Clone".

Payment Plan

Name	A Monthly 10% Down, 9 Max installments
Description	Monthly 10% Down, 9 Max installments
Effective Date	09/16/2013
Expiration Date	
Is Reporting?	No
Currency	USD

Invoicing Window

Payment Interval	Monthly
Item Placement Cutoff Date	Invoice Bill Date
Make last invoice	Billed
by # days before policy expiration date	30

Invoicing Fees

Fee Amount	
Skip Fee for Down Payments	Yes

Down Payment

Invoiced	-25
days after	Policy Effective Date

First Installment

Invoiced	0
days after	One Interval After Policy Effective Date

One-Time Charges (Full Pay Items)

Invoiced	-25
days after	Policy Effective Date

Overrides

Context ↑

Policy Change

Policy Change

Invoicing Treatment Details	Down Payment (%) 0
Max # Installments	

Down Payment	Invoiced
	days after

First Installment

Invoiced	
days after	

One-Time Charges (Full Pay Items)

Invoiced	
days after	

Payment Plan

The settings specified in the Payment Plan section include the following:

- Name and Description** of the payment plan.
- Effective Date** and **Expiration Date** specify the period of time the policy is valid.
- Is Reporting?** indicates whether policies associated with the payment plan are for premium reporting-based policies. If this field is set to Yes, then use either the PremiumReportBI or the PremiumReportDueDate billing instruction subtype.
- Currency** specifies the plan’s primary monetary denomination.

Invoicing Window

The settings in the Invoicing Window section define the invoicing frequency and restrictions on when invoices can be billed or due.

Invoicing Window includes the following fields:

- **Payment Interval** determines the invoicing frequency, such as monthly or quarterly. The invoicing frequency is often referred to as the periodicity. The setting determines the invoice stream that contains the policy's invoices. For more information, see "Payment Interval" on page 117.
- **Item Placement Cutoff Date** defines how BillingCenter uses the item event date when placing invoice items on invoices. For more information, see "Item Placement Cutoff" on page 117.
- **Make Last Invoice** and **by # days before policy expiration date** together determine the *blackout* window. The blackout window is an optional time span at the end of a policy period when no invoices can either be billed or become due.
 - **Make Last Invoice** must be set to *Billed* or *Due*. The setting determines whether the blackout window applies to the invoice *bill* date or *due* date.
 - **by # days before policy expiration date** takes a number, which is subtracted from the day before the policy expiration date to calculate the start of the blackout window.
- **Invoicing Fees** settings control the fees associated with invoicing premiums. For more information, see "Payment Plan Fee Specifications" on page 118.

Invoicing Treatment Details

The Invoicing Treatment Details section includes the following fields:

- **Down Payment (%)** specifies the percentage for a down payment.
- **Max # Installments** sets the maximum number of installment invoice items that can be created for pro rata charges.

Both of these settings are used only for charges that have an invoicing approach of **Down Payment and Installments**, such as **Premium** charges.

Payment Timing Settings

The Payment Timing Settings section includes settings to influence when each of the following types of items can be invoiced:

- **Down Payment**
- **First Installment**
- **One-time Charge**

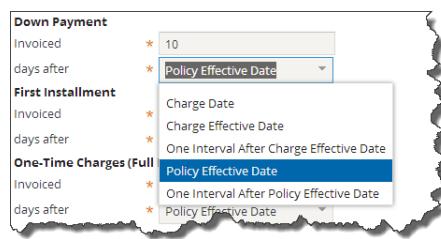
Note: One-time charges include invoice fees, installment fees, reinstatement fees, late fees, and taxes.

For each of the item types, you specify a number of days relative to a specified reference date. The resulting date is the earliest date that BillingCenter will invoice the item. The following is the list of reference dates:

- **Charge Date**
- **Charge Effective Date**
- **One Interval After Charge Effective Date**
- **Policy Effective Date**
- **One Interval After Policy Effective Date**

Note: For **One Interval After Charge Effective Date** and **One Interval After Policy Effective Date**, the interval refers to the **Payment Interval** setting on the payment plan. For example, suppose **days after** is set to **One Interval After Charge Effective Date** and **Payment Interval** is set to **Monthly**. Then the number in the **Invoiced** field is relative to a reference date of one month following the charge effective date.

The following graphic illustrates a second example:



The item can be invoiced as early as ten days after the **Policy Effective Date**.

Note: The number in the **Invoiced** field can be negative to indicate that a specified number of days earlier than the **days after** date.

See “Invoicing One-time Charges” on page 189 for details.

Payment Plan Overrides

Typically, the policy’s payment plan determines invoice periodicity and the dividing of a charge into invoice items. By defining a payment plan override, the plan’s behavior can be customized based on the billing instruction being processed. For example, a payment plan override for **PolicyChange** billing instructions defines the plan property settings to apply when processing any **PolicyChange** instruction. Payment plan overrides are defined in the **Overrides** section of the Payment Plan screen.

Note: A special situation occurs for **PolicyChange** billing instructions whose effective date matches the policy’s date of issuance. In such cases, any override defined for **PolicyChange** instructions are ignored. By ignoring the override, the **PolicyChange** is treated simply as a correction to a newly-issued policy. As an example, assume the insured signs up for a policy, but soon calls back to correct the zip code. The zip code change could cause the premium to increase or decrease. By ignoring any override associated with the **PolicyChange** instruction, the premium is calculated as if the zip code mistake had not occurred (with no overrides), which is the desired behavior.

A payment plan modifier is similar to a payment plan override. A payment plan modifier is included as part of an incoming billing instruction. The modifier settings are applicable for that particular instruction only. A payment plan override is applicable for all instructions of the type it is defined for. If both a payment plan override and payment plan modifier exist for an incoming billing instruction, the override settings are applied first, followed by the modifier settings. For additional information about payment plan modifiers, see “Payment Plan Modifiers” on page 119.

Adding a Payment Plan Override

To add an override for a billing instruction type, perform the following steps.

1. When viewing the settings of a particular payment plan, select **Edit**.
2. Click **Add Override**. From the list of available billing instruction types, select the desired type.
3. Enter the payment plan values to use when processing a billing instruction of the selected type. Only the settings listed in the **Overrides** section may be overridden.
4. Save the override settings by clicking **Update**.

Removing a Payment Plan Override

To remove an existing override for a billing instruction type, perform the following steps.

1. When viewing the settings of a particular payment plan, select **Edit**.

2. In the **Overrides** section, check the type of billing instruction whose override you wish to remove. Multiple types can be checked.
3. Select **Remove Override**.
4. Save your changes by clicking **Update**.

Payment Plans and Charge Invoicing

Charge invoicing is the process of dividing the charges on a billing instruction into invoice items that are placed on invoices. The payment plan plays a key role in charge invoicing. BillingCenter uses the payment plan together with account information and the billing plan to determine:

- The number of invoices and invoice items to create
- The dates to assign to invoices and invoice items
- The placement of invoice items on invoices

Payment Interval

The *payment interval* or *periodicity* specifies the frequency with which invoice items are invoiced. Various account settings are used in conjunction with the payment interval to determine the invoice dates. The following table shows payment intervals with their related account settings:

Payment interval	Related account settings
Monthly	• Monthly – Day of Month
Every Other Month	
Quarterly	
Every Four Months	
Every Six Months	
Every Year	
Every Other Year	
Every Week	• Weekly – Day of Week
Every Other Week	• Every Other Week – Anchor Date
Twice Per Month	• Twice a Month – First day of the month • Twice a Month – Second day of the month

The **Fix Bill Date/Due Date** field on the account determines how BillingCenter uses the payment interval and related account settings to establish invoice dates.

See “Charge Invoicing Steps for Pro Rata Charges” on page 184 for more details.

Item Placement Cutoff

You can specify either the **Invoice Bill Date** or **Invoice Due Date** as the item placement cutoff date on the payment plan using the **Item Placement Cutoff Date** field. When BillingCenter places items on invoices, this setting determines whether BillingCenter compares an item’s event date with the **Billed** or **Due** date on the invoice.

Option	Description
Invoice Bill Date	Specifies that the invoice item event date must be on or before the bill date.
Invoice Due Date	Specifies that the invoice item event date must be on or before the due date.

Payment Plan Fee Specifications

BillingCenter can assess fees to either an account or a policy associated with an account. The charge pattern associated with the fee determines whether the fee is applied at the account or policy level.

In the base configuration, BillingCenter supports an invoicing fee. Additional fee types can be defined by using a charge pattern as a starting template. For details, see “Charge Patterns” on page 170.

Invoicing Fee Field	Meaning
Fee Amount	Amount assessed for the policy period
Skip fee for Down Payments	Specifies whether the fee is charged for down payments

Invoicing Fee

Invoicing fees are specified at the policy level. BillingCenter assesses these fees for the expense of invoicing the policy payments in installments, instead of as a one-time charge. These fees are not created until the invoice is billed.

Note: On the billing plan associated with an account, you can designate whether invoicing fees are to be skipped for the account's policies.

Invoicing fees are charged to direct bill policies if:

- The policy's payment plan has a non-zero invoicing fee amount, and
- The policy's account billing plan does not suppress the invoicing fee, and
- An invoice item from a policy for a pro rata charge appears on the invoice, and
- The sum of all invoice items for a policy on that invoice is positive.

Invoicing fees are charged to agency bill policies if:

- The policy's payment plan has a non-zero invoicing fee amount.

If the account's current billing method is used, invoicing fees are added to a statement or an anticipated list of charges if:

- An invoice item from a policy for a pro rata charge appears on a statement bill, and
- The sum of all invoice items for a policy in a statement bill is positive.

Note: A policy period can have multiple pro rata charges, but there will be only one invoicing fee for a policy on any invoice or statement.

If you select **Skip fee for down payment** and the invoice has a down payment item and no installment items then BillingCenter does not create the fee for the policy.

Gosu Override

The **Invoice** plugin performs fee-related tasks, including those for invoicing fees. The plugin is called by the Invoice batch process. Invoicing fees can be overridden by configuring the plugin methods. For example, each policy's fee amount can be overridden in a different manner, depending on the policy attributes.

Working with Payment Plans

You can create payment plans manually in BillingCenter. You can assign a payment plan to a policy either programmatically or manually. Unlike billing plans, you can edit payment plans even after they are in use. However, like billing plans, you can also clone and then modify the cloned payment plan. When you modify a payment plan that is in use, the changes apply only to subsequently executed billing instructions.

Creating Payment Plans Manually

In BillingCenter, go to **Administration** → **Payment Plans** to create a set of payment plans. See instructions in “Creating or Cloning a Plan” on page 104.

Assigning a Payment Plan

Payment plans are usually assigned programmatically to a policy. However, in a test environment, you can manually assign a payment plan to a policy.

Manually Assigning a Payment Plan

From an **Account Summary** page in the user interface:

1. Select **Actions** → **New Policy** → **New Policy Wizard**.
2. Under **Plans**, select the **Payment Plan** you want to associate with the policy period from the list of existing payment plans.

Programmatically Assigning a Payment Plan

In the **IBillingInstructionPlugin**, the following code is used to assign a new payment plan or reference an existing one:

```
PaymentPlan paymentPlanRef = new PaymentPlan();
paymentPlanRef.setPublicID("demo_payment:1");
paymentPlanRef.setRefType(RefTypeEnum.GW_ByRef);
```

Payment Plan Modifiers

A billing instruction can alter the payment plan behavior by including a payment plan modifier. The modifier defines new payment plan property settings to use while processing the instruction. The new property settings are applicable only for the billing instruction that includes the payment plan modifier.

In practice, payment plan modifiers are rarely necessary. The preferred method for altering payment plan behavior is to customize the Charge Invoicing Process. For details, refer to “The Charge Invoicing Process for New Charges” on page 423 in the *Configuration Guide*. For special cases where customizing the Charge Invoicing Process is not possible, a payment plan modifier can be used.

See also

- “Payment Plan Overrides” on page 116
- “Payment Plan Modifiers” on page 433 in the *Configuration Guide*

Aligning Payment Schedules

An account can have multiple policies, and these policies need to be serviced by funds flowing through the account. Each policy period potentially has different effective/expiration dates and payment intervals. In effect, there are multiple payment schedules that need to work together.

BillingCenter aligns multiple payment schedules so that:

- User interaction is generally at the account level.
- Extra mailings / payments are kept to a minimum.
- The process is flexible and understandable.

How Payment Schedules Are Aligned

A policy's payment schedules are organized taking into consideration the payment schedules of other policies in the account. BillingCenter handles this as follows:

- If a single policy is bound for a given account, the account's payment schedule is the schedule used by the policy.
- If a second policy is bound:
 - The account-level payment schedule interval becomes the smallest interval of the underlying policies. For example, two underlying policies, one with a quarterly periodicity and one with a monthly periodicity, would result in a monthly periodicity at the account level.
 - The **Invoice Day of Month** for the new policy (determined at the account level) is used to anchor the payment schedule. So, if the policy has a **Monthly - Day of Month** of 3/13/2008 (and monthly intervals), BillingCenter schedules regular payments for the account on the 13th of each month.
 - Each of the policies that do not use an anchor date have their payments accelerated so that they become due on one of the payment dates in the new schedule.
- If additional policies are bound, the same reorganization process occurs.

Changing the Payment Schedule

BillingCenter enables you to change the payment schedule for an existing policy. For example, a customer may originally request quarterly payments, but later decide to change to monthly. When a new payment schedule is selected, the policy's invoice items are recalculated to conform to the new schedule.

To change the payment schedule:

1. From the **Policy Summary** screen → **Payment Schedule**, click the **Edit Schedule** button.
2. Select the type of invoice items to process by choosing the appropriate radio button in the **Items to Process** field.
 - **All Items** processes all the invoice items associated with the policy.
 - **Planned Items** processes only invoice items that have not yet been invoiced.
 - **Not Fully Paid Items** processes only invoice items that have not yet been paid in full.
3. If an invoice item type other than **All Items** is selected, the **Include Down Payment Items** checkbox can be checked to include down payment invoice items in the recalculation process. If the down payment was previously billed under the original payment plan, that charge is reversed and a new invoice item is created according to the new payment plan.
4. Select the desired method for handling existing payments by choosing the appropriate radio button in the **Redistribute Payments** field.
 - **Reverse and Redistribute** reverses the payments and redistributes them.

- Reverse Only reverses the payments, but does not redistribute them.
5. Select the desired payment plan from the **New Payment Plan** drop-down list.
6. Accept the new payment plan by clicking **Execute**. The policy invoice items will be recalculated based on the selected settings.

Note: If the **All Items** radio button was selected, the recalculation process removes any old agency bill promises from the policy period.

Payment Allocation Plans

Payment Allocation plans control how BillingCenter distributes incoming payments. Every account has a payment allocation plan.

This topic includes:

- “Payment Allocation Plan Overview” on page 123
- “Payment Allocation Plan Settings” on page 124
- “Maintaining Payment Allocation Plans” on page 124

Payment Allocation Plan Overview

A payment allocation plan controls how BillingCenter distributes payments to invoice items. The plan determines which invoice items to pay and the order in which to pay them using money received from direct bill payments and money stored in Unapplied T-accounts. A payment allocation plan can be configured through the user interface to specify the types of invoice items eligible for payment and the order the eligible items are paid.

BillingCenter typically receives direct bill payments from an external system and distributes the payment by running a batch process. All batch processes that distribute money use a payment allocation plan to manage which invoice items get paid. For descriptions of the batch processes that distribute money, see “Batch Processes That Distribute Payments” on page 294.

Payments can also be entered manually through the BillingCenter user interface. Payments entered manually can also use a payment allocation plan to distribute the received money among invoice items. To manually enter a single direct bill payment, select **Account** → **Actions** → **New Payment** → **New Direct Bill Payment**. To manually enter multiple payments, select **Desktop** → **Actions** → **New Payment** → **Multiple Payment Entry**.

A payment received by BillingCenter—whether from an external system or entered manually—becomes associated with an invoice and a policy period to which to apply the payment. Money residing in Unapplied T-accounts does not have an associated invoice and policy period, but can still be distributed by the payment allocation plan.

The payment allocation plan performs two operations to determine how to distribute a payment.

- Passes the invoice items through a filter to identify items eligible for payment.

- Organizes the eligible invoice items to prioritize their order of payment.

Both of these operations can be configured through the user interface.

Payment Allocation Plan Settings

Each payment allocation plan has the following settings:

- **Priority** – When creating a new account, determines the default payment allocation plan. For additional information, see “The Default Payment Allocation Plan” on page 124.
- **Name** – Identifies the payment allocation plan in the user interface.
- **Description** – Text description of the payment allocation plan in the user interface.
- **Effective Date** – First day the plan may be used.
- **Expiration Date** – Last day the plan may be used. If no expiration date is specified, the plan never expires.
- **What invoice items can be paid?** – Filters applied to determine the invoice items eligible for payment. For additional information, see “Filtering Invoice Items” on page 124.
- **What order do you want to pay them in?** – Priority of payment for eligible invoice items. For additional information, see “Ordering Invoice Items” on page 125.

Maintaining Payment Allocation Plans

The BillingCenter base configuration includes one payment allocation plan named **Default Payment Allocation Plan**. This plan can be used as is. Alternatively, it can be modified or cloned and used as a starting point for defining a new plan. If a payment allocation plan is modified, the changes take affect immediately for all subsequent distributions. A new payment allocation plan can also be created by clicking **Administration** → **Actions** → **New Payment Allocation Plan**.

The Default Payment Allocation Plan

The **Administration** → **Business Settings** → **Payment Allocation Plans** page lists all the defined payment allocation plans in BillingCenter. If multiple payment allocation plans exist, they are ordered hierarchically from top to bottom. The plan at the top of the list has the highest priority. When a new account is created, its default payment allocation plan is the plan with the highest priority whose account-creation date falls within the plan’s effective and expiration dates.

The list of payment allocation plans can be reordered by clicking the up and down arrow icons in the **Move Priority** column. Changing the priority affects only new accounts that are created after the change. It does not affect existing accounts.

Filtering Invoice Items

The filters listed in the **What invoice items can be paid?** setting determine which invoice items are eligible to be paid. Multiple filters can be applied in a single payment allocation plan. The order in which filters are applied is not important.

The initial pool of eligible invoice items includes all items of the account that have not already been fully paid. Each item in the pool is then passed through one of the plan’s filters. If the item meets the filter’s criteria, it remains in the pool of eligible items. If the item does not meet the criteria, it is removed from the pool and considered ineligible for payment in the current distribution. After every item has been processed by the filter, the remaining items go through the next filter, if one exists. This cycle continues, removing items that do not

meet a filter's criteria, until all filters in the plan have been applied. The remaining invoice items in the pool are those that have met the criteria of all the filters and are, therefore, considered eligible for payment. Items found ineligible are not allocated money in this distribution even if money remains after paying all eligible items. Any remaining money is placed in an appropriate Unapplied T-account.

The following invoice item filters and their criteria are included in the BillingCenter base configuration:

- **Billed or Due** – Allow invoice items that are billed or due.
- **Invoice** – Allow invoice items on the payment's associated invoice (if any). If no associated invoice exists (as in the case of distributing money from Unapplied T-accounts) then all invoice items are allowed.
- **Next Planned Invoice** – Allow invoice items contained in the next planned invoice and invoices that are billed or due.
- **Past Due** – Allow invoice items that are past due.
- **Policy Period** – Allow invoice items that are on the payment's associated policy period (if any). If no associated policy period exists (as in the case of distributing money from Unapplied T-accounts) then all invoice items are allowed.
- **Positive** – Allow invoice items with amounts greater than zero.

New invoice item filters can be created by using the Gosu programming language. For details, see “Writing an Invoice Item Filter” on page 437 in the *Configuration Guide*.

Adding and Removing Invoice Item Filters

To add invoice item filters to the payment allocation plan or remove filters from the plan, perform the following steps:

1. To add or remove filters for a new payment allocation plan, create the plan by selecting **Administration** → **Actions** → **New Payment Allocation Plan**. Fill in the required fields, such as **Name** and **Effective Date**. The new plan is assigned some default filters that can be removed if so desired.
2. To add or remove filters for an existing plan, display the list of existing plans by selecting **Administration** → **Business Settings** → **Payment Allocation Plans**. Select the plan to modify by clicking its entry in the **Name** column. Select **Edit** to enter edit mode.
3. To add a filter, select **Add** in the **What invoice items can be paid?** section. In the list of available filters, check the desired filters and select **Add Filters**. The order of items in the filter list is not important.
4. To remove a filter, check the undesired filter in the **What invoice items can be paid?** section and select **Remove**.
5. Select **Update** to save the current list of filters.

Ordering Invoice Items

Invoice items eligible for payment are ordered according to the priority in which each item is paid. Order priority is based on the item's type, such as **Recapture Charges**, or the item's settings, such as **Billed Date**. Invoice items with a higher priority are allocated money before items with a lower priority. The priority is determined by the order of entries specified in the **What order do you want to pay them in?** list. Items at the top of the list have a higher priority than items below it.

As an example, assume a plan's order priority (from high priority to low) is **Recapture Charges**, **Billed Date**, and **Charge Pattern**. When distributing money among eligible invoice items, recapture charges are allocated money first. If any money remains, items are paid based on their billed date from the earliest date to the latest. For items that share the same billed date, they are ordered according to the priority of their charge patterns.

The following invoice item types and settings can be specified to define the order of payment:

- **Billed Date** - Item's billed date from earliest to most recent.
- **Billed Status** - Item's billed status from earliest to most recent.

- **Charge Pattern** - Priority of item's charge pattern.
- **Event Date** - Item's event date.
- **Invoice** - Item's invoice (if any).
- **Policy Period** - Item's policy period (if any).
- **Recapture Charges** - Recapture charge items.
- **Reverse Billed Date** - Item's billed date from most recent to earliest.
- **Reverse Event Date** - Item's event date from most recent to earliest.
- **Spread Excess Even** - Order billed and due invoice items first. Distribute any remaining money equally among the remaining unpaid eligible items.

The order of invoice item payment can also be performed by using the Gosu programming language. For details, see “Ordering of Invoice Items” on page 439 in the *Configuration Guide*.

Defining the Order of Payment

To define the order in which to pay invoice items, perform the following steps:

1. To define the payment order for a new payment allocation plan, create the plan by selecting **Administration** → **Actions** → **New Payment Allocation Plan**. Fill in the required fields, such as **Name** and **Effective Date**.
2. To define the payment order for an existing plan, display the list of existing plans by selecting **Administration** → **Business Settings** → **Payment Allocation Plans**. Select the plan to modify by clicking its entry in the **Name** column. Select **Edit** to enter edit mode.
3. To add an invoice type or setting, select **Add** in the **What order do you want to pay them in?** section. In the list of available invoice types and settings, check the desired entries and select **Add Priority**.
4. To remove an invoice type or setting, check the undesired entry in the **What order do you want to pay them in?** section and select **Remove**.
5. Set the order of payment from highest priority (paid first) to lowest priority. To increase an entry's priority, click its up arrow icon in the **Move Priority** column. To decrease an entry's priority, click its down arrow icon. Arrange the list's entries until they are in the desired order.
6. Select **Update** to save the current order of payment.

Delinquency Plans

This topic covers delinquency plans. The *delinquency plan* is a predetermined sequence of events that BillingCenter invokes when an account or policy becomes delinquent. In BillingCenter, you associate delinquency plans with either accounts or policies. If one or more of the policies held by an account becomes delinquent, a set of automatic events, determined by the delinquency plan and associated workflows, are invoked. You can define multiple delinquency plans to handle different types of delinquencies. You must have administrator rights to create or edit delinquency plans.

This topic includes:

- “Delinquency Plan Contents” on page 128
- “Working with Delinquency Plans” on page 128
- “Assigning Delinquency Plans” on page 128
- “Delinquency Plan General Tab” on page 129
- “Delinquency Plan Workflow Tab” on page 131
- “Associating a Different Delinquency Plan with an Account or Policy” on page 133
- “Initiating Delinquencies from External Systems” on page 134
- “Initiating Delinquencies from the User Interface” on page 134
- “How Delinquencies Affect Account Evaluations” on page 134
- “Related Delinquency Documentation” on page 134

Delinquency Plan Contents

Delinquency plans have the following two tabs:

Delinquency plan tab	Description	For more details see:
General	Where you specify the settings for any delinquent account or policy associated with the plan. This includes a cancellation target, grace period, fees, and threshold amounts. These settings apply to all delinquency workflows associated with the plan.	"Delinquency Plan General Tab" on page 129
Workflow	Where you specify the delinquency reason and the events that will be invoked if the account or policy becomes past due. This tab lets you view or edit which workflow is used for each delinquency reason associated with this delinquency plan, as well as the events associated with a delinquency reason.	"Delinquency Plan Workflow Tab" on page 131

Because delinquency plans are associated with either accounts or policies, if a delinquency occurs, BillingCenter first checks to see if there is an associated policy-level plan. If it does not have one, it uses the account's delinquency plan. An account is required to have a delinquency plan; but is optional for a policy period.

Working with Delinquency Plans

Delinquency plans contain the rules that allow you to specify when to invoke the predefined events in an associated delinquency process. They also contains an array of `DelinquencyPlanReasons` and each of those reasons has a workflow associated with it. Delinquency plans are divided into two tabs: the `General` tab and the `Workflow` tab. The contents of those tabs are described in the following sections.

Assigning Delinquency Plans

Generally, delinquency plans are assigned programmatically to policies whenever BillingCenter creates a new account or renews an existing policy. In a test environment, you can assign a delinquency plan to an account or a policy manually.

Assign a Delinquency Plan Programmatically

In the `IBillingInstructionPlugin`, the following code is used to find an existing delinquency plan:

```
DelinquencyPlan delinquencyPlanRef = new DelinquencyPlan();
delinquencyPlanRef.setPublicID("J6B_delinquency:1");
delinquencyPlanRef.setRefType(RefTypeEnum.GW_ByRef);
```

Assign a Delinquency Plan Manually

You assign delinquency plans manually from an `Account Summary` page in the user interface.

To assign a delinquency plan to an account

1. Select `Actions` → `New Account` → `New Account Wizard`.

2. From `Delinquency Plans`, select the `Delinquency Plan` you want to associate with the account from the drop down list of existing delinquency plans.

To assign a delinquency plan to a policy period

1. Select the associated account.
2. Select **Actions** → **Add Policy** → **New Policy Wizard**.
3. From **Plans**, select the **Delinquency Plan** you want to associate with the account from the drop down list of available delinquency plans.

Delinquency Plan General Tab

The **General** tab is where you specify the settings that determine how BillingCenter handles delinquencies for accounts and policies. You can determine which accounts are to be targeted for cancellation, the threshold amounts that, if reached, initiate a delinquency, and any delinquency-related fees you want to assess. The delinquency plan also is where you specify a grace period, which allows you to extend additional time for insureds to pay their invoices.

The following list describes the important areas of the delinquency plan's **General** tab:

Field	Description
Cancellation Target	Sets the cancellation target type, if one becomes necessary: This parameter works in conjunction with Enter Delinquency Threshold (Policy) and Enter Delinquency Threshold (Account) . See "Amount Threshold" on page 130 for details.
Grace Period	Specifies the grace period (additional period of time) from the delinquency process exception date.
Fee Amounts	Sets the amount of any late fee or policy reinstatement fee.
Amount Thresholds	Sets various threshold values that BillingCenter uses to determine how to handle different Past Due amounts. See "Amount Threshold" on page 130 for more information.
Availability	Sets the market segment that this delinquency plan will use. The following field values are supported. The default value is All . <ul style="list-style-type: none">• All• Large Business• Medium Business• Personal• Small Business• Subprime

Cancellation Target

Use the **Cancellation Target** field to determine which policies are subject to cancellation in the event of a delinquency. This setting is important because it enables you to specify if you want to cancel only the delinquent policy or cancel all of the account's policies.

Suppose you have an account with multiple policies and one of those policies is delinquent. In this case, you can choose the **Delinquent Policy Only** option to cancel just the delinquent policy. The other policies in *Good Standing* will remain active.

Choose from the following options:

Option	Description
All Policies in Account	Specifies that all policies in the account are to be canceled.
Delinquent Policy Only	Specifies that only the delinquent policy is to be canceled.

Use the **Hold Invoicing** field on **Target Policies** to determine if you want to delay creating additional invoices on a policy targeted for cancellation.

Grace Period

The **Grace Period Days** field specifies an extra number of days from the delinquency process inception date before you start the delinquency process. You grant these extra days to an insured (whose invoice is **Past Due**) before starting a delinquency. For example, suppose that the Due date is the 25th of the month and the **Grace Period** is three days. In this case, a delinquent payer would have until the 29th to remit payment before BillingCenter initiates the delinquency process. BillingCenter takes no delinquency action on the policy until after the grace period expires.

Fees

Use the **Fees** area to specify whether you want to assess either of the following fees to an account and policy associated with the delinquency plan:

Fee	Description	T-account owner
Late	Fee assessed to an account for a late payment.	Account
Reinstatement	Fee assessed to a policy period to restore the policy period to good standing.	PolicyPeriod

For example, a **Late** fee is assessed to the account and a reinstatement fee is assessed to the policy period.

The imposition of a late fee occurs after the expiration of the grace period, if any.

Amount Threshold

Use the **Amount Threshold** settings to determine the values BillingCenter will use to handle **Past Due** amounts. The following table identifies the **Amount Threshold** options that can be specified on the delinquency plan:

Threshold option	Description
Write-off Threshold	If the past-due amount is below this threshold, BillingCenter writes off the amount and does not make the policy delinquent. The reason applied to the created write-off "Minor adjustment." The threshold amount must be: <ul style="list-style-type: none">• Less than the Enter Delinquency Threshold for Account and Policy• Less than the Cancel Policy threshold
Enter Delinquency Threshold (Account)	Used only if the Cancellation Target on the Delinquency Plan is set to All Policies In Account . Determines if an account is eligible to begin the delinquency process. If the sum of all past-due amounts for all policies in the account exceeds this threshold, BillingCenter makes all of the account's policies delinquent. The threshold amount must be: <ul style="list-style-type: none">• Greater than the Write-off Threshold and the Exit Delinquency threshold• Less than the Cancel Policy threshold
Enter Delinquency Threshold (Policy)	Used if the Cancellation Target on the Delinquency Plan is set to Delinquent Policy Only . Determine if a policy is eligible to begin the delinquency process. If a policy's past-due amount exceeds this threshold, the policy is made delinquent. If the past-due amount is smaller than this threshold, but larger than the Write-off Threshold , then past-due invoices show up as red on the Invoices screen. The threshold amount must be: <ul style="list-style-type: none">• Greater than the Write-off Threshold and the Exit Delinquency threshold• Less than the Cancel Policy threshold

Threshold option	Description
Cancel Policy	<p>This threshold amount is validated when creating or editing a Delinquency Plan, but it is not used in the base configuration. It is made available for user configuration with the intention that past-due amounts that exceed the threshold will be canceled.</p> <p>The Cancel Policy threshold amount must be greater than all other thresholds.</p>
Exit Delinquency	<p>If the past-due amount falls below this threshold, BillingCenter stops the delinquency process.</p> <p>The threshold amount must be:</p> <ul style="list-style-type: none"> • Less than the Enter Delinquency Threshold for Account and Policy • Less than the Cancel Policy threshold

Availability

The **Applicable Segment** feature is made available for customizing purposes only. You must enable this feature to be able to filter the list of qualified delinquency plans. It does not work by default. The functionality exists in the base product but you need to enable it through configuration.

Use the **Applicable Segment** field to associate a business segment with a delinquency plan. For example, you can specify the **Medium Business** segment option for the plan. However unless you configure this feature, setting this field does not filter the list of plans presented to the account. In other words, if the account has a different business segment, you can still choose the delinquency plan with the **Medium Business** segment from the list of qualified plans. Thus, BillingCenter does not perform filtering unless you configure this feature.

When you create a new account, you can specify a business segment for that account. However, a segment is not required to create an account.

Delinquency Plan Workflow Tab

The Workflow tab is where you specify the reasons that initiate a delinquency for a policy or an account. For example, if no payment has been received, then when the **InvoiceDue** batch process runs and detects that the policy is **Past Due** it starts the associated workflow. The choices that appear in the drop down list correspond to a set of reasons in the **DelinquencyReason** typelist.

When you set up the delinquency reason, you specify a **workflow type** that you associate with each delinquency reason. A workflow has steps that automatically take some action in the delinquency process. For example, the **Dunning Letter** step, initiates the creation of a letter that notifies the insured that the policy is now delinquent. You must associate each applicable step in the workflow with an event in the delinquency plan.

BillingCenter provides the following:

- An extensible **DelinquencyReason** typelist.
- A list of default workflow types.
- A list of steps for each default workflow type that must be mapped to corresponding delinquency workflow events in the delinquency plan.

Delinquency Reasons

The **Delinquency Reason** identifies the initial event that starts the delinquency process. Delinquency reasons are specified in the delinquency plan and linked to associated workflows. At the beginning of the delinquency process, BillingCenter checks to see if the policy has an associated delinquency plan. If not, it uses the delinquency plan associated with the account.

After the policy becomes **Past Due**, BillingCenter automatically initiates the delinquency process. You can also initiate delinquency manually by clicking the **Start Delinquency** button on the **Summary** screen. You must select the reason for the delinquency from the drop-down menu on the **Start Delinquency** screen. The only delinquency reasons that appear in the drop-down menu are those already specified on the **Workflow** tab of the associated delinquency plan. BillingCenter defines the set of delinquency reasons in the **DelinquencyReason** typelist.

For each delinquency plan, you specify its associated delinquency reasons on the **Workflow** tab of an unused plan. From the **Workflow** tab, click **Edit** and then **Add**, and select the reason from the list of types. BillingCenter provides the following list of delinquency reason types:

Delinquency reason types	Description	Automatic
Past Due	An invoice's due date has passed without receipt of payment from payer.	Yes
Failure to Report	Premium reporting information is Past Due .	No
Producer Referred	Payment to agency bill producer is Past Due .	No
Not Taken	First invoice for a policy has become Past Due , but no payment was received.	Yes
Collateral Shortfall	Required collateral amount has become insufficient.	No
Other	Delinquency started manually.	No

You associate each reason with a **Workflow Type** and the reason starts the delinquency processes and the workflows for any accounts or policies associated with this plan.

For example, BillingCenter initiates a delinquency with a delinquency reason of **Past Due** when all of the following conditions exist:

- The due date for a billed invoice has passed after the **InvoiceDue** batch process runs and changes the status of the invoice to **Due**.
- Payment was not received from the insured.

Delinquency Workflow Types

The **Workflow Type** is the type of workflow associated with this particular delinquency reason. Each workflow type has steps that must be associated with events in BillingCenter. BillingCenter ships several default workflows which can be used or modified. You can also create your own delinquency workflow type.

See Also

- “Workflows in BillingCenter” on page 413 in the *Configuration Guide* for a list of the workflow subtypes.
- “Direct Bill Delinquency Workflows” on page 324 for a description of the default direct bill workflow types.
- “Agency Bill Workflows” on page 373 for a description of the default agency bill workflow.

Delinquency Workflow Events

The **Events** are the list of occurrences that take place during the delinquency process. They must be associated with a workflow type. Depending on how the events are defined, they can occur automatically once the process starts. For example, if an invoice becomes **Past Due** a **Dunning Letter** can be automatically sent to the insured.

The events are part of a workflow process and during points in this process, the insured can exit the process by remitting payment and returning their account to **Good Standing**.

To view the events associated with a specific delinquency reason, on the **Workflow** tab, click the desired **Delinquency Reason** to expand the list. Not all delinquency reasons have associated delinquency events. Any events associated with that delinquency reason and their related details appear at the bottom of the screen.

To view the **Workflow** tab, select **Administration** → **Delinquency Plan** → **Workflow** tab

Click the **Workflow** tab on the new delinquency plan to view the information for the associated workflow. The following list describes the important fields on the delinquency plan's **Workflow** tab:

Field	Description
Delinquency Reason	Indicates the reason for the delinquency. This reason must have an associated workflow type.
Workflow Type	Indicates the name of the workflow used with this delinquency plan. Selecting a workflow type automatically inserts plan events in the lower part of the screen.
Events	Lists of events that correspond to the steps in the associate workflow type. To view these events, they must first be added to the Workflow tab.

Adding a Delinquency Reason/Workflow Type Pair

Use the **Workflow** tab on the delinquency plan to add a new delinquency reason and workflow type to the list. Each **Delinquency Reason** must have an associated **Workflow Type**. You can select the workflow type from the list of existing workflows.

Delinquency events track the progress of a delinquency, defining the important milestones in the process. Events also track the dates and activities associated with those milestones and they provide an understanding of the underlying workflow detail at the business level.

The workflow can initiate additional charges for certain fees if the corresponding event in the delinquency process occurs.

See Also

- “Understanding Workflow” on page 341 in the *Configuration Guide* for details on how, in general, to use workflows.
- “BillingCenter Workflows and Delinquency Plans” on page 413 in the *Configuration Guide* for details on how to use the specific BillingCenter workflows with delinquencies.

Associating a Different Delinquency Plan with an Account or Policy

You can change the delinquency plan associated with an account or policy period from either the **Account** or **Policy Summary** screen. This allows you to change the plans for an account and its associated policies.

Starting a delinquency creates a new delinquency process. If a delinquency plan is in use, you cannot change the plan.

Being able to change the delinquency plan from the **Policy Summary** screen allows you to assign a policy-level delinquency plan to a policy period. BillingCenter uses the delinquency plan associated with the policy period, unless the delinquent amount is an account-level charge, or the policy period does not have a delinquency plan. For those cases, BillingCenter uses the account-level delinquency plan.

See Also

- “Account Summary Information” on page 84 for more details on using the **Account Summary** screen.
“Policy Summary Information” on page 90 for more details using on the **Policy Summary** screen.

To change the delinquency plan in the user interface:

- From either the **Account** or **Policy Summary** screen, click the **Edit** button.
- Choose a new delinquency plan from the drop down menu that displays in the **Delinquency** section.

Note: After you click the **Edit** button on either the **Account** or **Policy Summary** screen, BillingCenter disables the **Start Delinquency** button.

Initiating Delinquencies from External Systems

To start a delinquency on an account from an external system, call the BCAPI web service method `startDelinquencyOnAccount`. To start a delinquency on a policy period, call the BCAPI web service method `startDelinquencyOnPolicyPeriod`.

See “Start a Delinquency” on page 119 in the *Integration Guide* for more details.

Initiating Delinquencies from the User Interface

You manually start a delinquency from either the **Account Summary** or the **Policy Summary**. Click the **Start Delinquency** button at the top of either screen to start the process.

Agency bill delinquencies are always manually initiated.

See “Agency Bill Delinquency Process” on page 373 for more details.

How Delinquencies Affect Account Evaluations

You can use a delinquency as part of the basis for an Account Evaluation. An account evaluation provides information to the carrier on the account’s standing. Also, it shows how many times an account has been delinquent and identifies any delinquency events occurred during the policy period.

See Also

- “Account Evaluation Definition” on page 265
- “Delinquency Processing Customization Plugin” on page 165 in the *Integration Guide*

Related Delinquency Documentation

The following list describes a number of additional topics related to delinquency processing:

Topic	See
Overview of plans	<ul style="list-style-type: none">“BillingCenter Plan Overview” on page 101
Viewing existing plans	<ul style="list-style-type: none">“Viewing a List of Existing Plans” on page 103
Prioritizing the order of plans on the plan’s list page	<ul style="list-style-type: none">“Prioritizing Plans” on page 104
Creating, cloning, and editing plans	<ul style="list-style-type: none">“Creating or Cloning a Plan” on page 104“Editing Plans” on page 104
Direct bill delinquency process	<ul style="list-style-type: none">“Direct Bill Delinquency” on page 323
Agency bill delinquency process	<ul style="list-style-type: none">“Agency Bill Delinquency” on page 373
Workflows	<ul style="list-style-type: none">“BillingCenter Workflows and Delinquency Plans” on page 413 in the <i>Configuration Guide</i>

Agency Bill Plans

This topic covers Agency Bill Plans. The *agency bill* plan specifies how agency bill processing is handled for producers associated with agency bill plans. This includes the agency bill processing type, cycle close day of month, and how terms and payments are handled. During the agency bill process, producers directly bill insureds for the entire premium amount and then remit the net amount to the carriers, minus their commission. In BillingCenter, an Agency Bill producer must have the following:

- An associated agency bill plan that determines how the process will be handled for each producer.
- An associated commission plan that determines the amount of commission the producer will be paid.

Note: Any producer using assignment of items also must have an agency bill plan. *Assignment of items* allows you to assign or reassign any item to any account or producer in BillingCenter.

This topic includes:

- “Agency Bill Plan Contents” on page 136
- “Working with Agency Bill Plans” on page 136
- “Configuring Dunning Notices in the Agency Bill Plan” on page 142
- “Related Agency Bill Documentation” on page 143

Agency Bill Plan Contents

The agency bill plan shown below show each relevant area that affects agency bill processing. Each area is described in the following Working with Agency Bill Plans section.

Plan Info

Name	QA1AGENCYBILLPLAN02
Workflow Type	Standard Agency Bill
Effective Date	09/16/2013
Expiration Date	
Currency	USD

Cycle Close Day of Month

Adjust to Business Day	Exact Day
Logic	
Day of Month	15

Payments

Auto-process if statement / promise total equals payment amount	Yes
Statement of Exceptions after payment processed	Yes
Send dunning notice after due date if not paid:	No
Producer Write-Off Threshold	\$5.00

Terms

Payment Terms (days)	25
Generate exception if past due	Yes

Statements

Send statement after cycle close	Yes
Days	0
Show previous non-past-due amounts	No
Suppress statement on low balance	No

Clearing Logic

Clear commission differences	Yes
Threshold	\$3.00
Clear gross differences	Yes
Threshold	\$5.00
Use logic for:	Payments

Affect Billed Statement

On item moved	No
On payment schedule change	No

Account Current

Send reminder notice if promise not received	No
Promise Due (in x days from cycle close)	15
Generate exception if promise is past due	No
Statement of Exceptions after promise processed	No

Working with Agency Bill Plans

Once an agency bill plan is associated with a producer, do not edit that plan while it is in use. An agency bill plan must have an associated agency bill workflow type. To view a list of workflows, click the **Administration** tab and choose **Workflows**.

The major areas of the agency bill plan and their settings are described in the following sections:

Monthly Cycle Configuration

The monthly cycle depends on the setting specified in the producer's associated agency bill plan. In particular, the **Cycle Close Day of Month** setting determines when to generate the new statement by specifying when the cycle closes. It affects how statement bill and account current processing (promises to pay) are both handled. A *cycle* covers the monthly period for which BillingCenter:

- Creates a statement for the associated producer.
- Tracks a producers' promises to pay.
- Monitors the receipt of payments or promises for those accounts or policies.

The terms of the producer's monthly cycle trigger as BillingCenter does the following:

- Produces an accounting of what payments the producer owes the carrier.
- Creates the Statement Bill.
- Makes the Promise to Pay (Account Current) due.

To specify the day of that month that a statement invoice is sent to the producer, set the **Cycle Close Date of Month** in the agency bill plan. This is a configurable option that allows you some flexibility in adjusting the business logic.

In Part 1 of the agency bill plan, the **Cycle Close Day of Month** setting specifies how the *monthly cycle* is handled for the producer. This section of the agency bill plan specifies the following:

User interface name	Agency Bill Plan field	Meaning
Cycle Close Day of Month		
Adjust to Business Day Logic	<code>CycleCloseDayofMonthLogic</code>	Determines how the Cycle Close Day of the Month will be adjusted to a business day. Options include: <ul style="list-style-type: none"> Exact Day First Business Day of Month Last Business Day of Month Next Business Day Previous Business Day

See “Agency Bill Cycles” on page 341 for more details on cycles.

Agency Bill Terms

The Terms settings, specify the number of days after the **Cycle Close Date of Month** that the statement is due from the producer. It also indicates whether an exception is to be generated if the statement is past due.

For example, suppose that the agency bill plan specifies that **Payment Terms** is 45 days and **Generate Exception if past due** is set to Yes. In this case, BillingCenter generates an exception if the statement and payment are not received in 45 days.

In Part 2 of the agency bill plan, the Terms settings specify when payment becomes past due and if an exception is to be generated. This section of the agency bill plan specifies the following:

User interface name	Agency Bill Plan field	Meaning
Terms		
Payment Terms (days)	<code>PaymentTermsInDays</code>	Number of days between close date of cycle and due date for statement associated with that cycle.
General exception if past due	<code>ExceptionForPastDueStatement</code>	If Yes, generates an exception item for a past due statement.

See also

- “Working with Agency Bill Exceptions” on page 355 for details on exceptions handling.
- “Agency Bill (Statement) Processing” on page 345 for details on managing agency bill payment.

Agency Bill Processing Types

When a producer is created in BillingCenter, that producer is associated with a specific agency bill plan. The agency bill plan specifies which of the following two types of agency bill processing the producer will use:

- **Statement Bill**
- **Account Current**

Statement Bill

If the producer uses statement bill processing, BillingCenter produces statements for the producer when an agency bill relationship exists between the carrier and the producer. The statement provides details of how much the producer expects to pay the carrier for income generated from a set of associated agency bill policies. Each statement shows the producer’s status for the specific date that the statement is created.

For example, when a producer has a statement bill relationship with a carrier, the carrier bills the producer each month for that business. The producer has agreed to make payments to the carrier on behalf of the insured. The advantage to the producer is that they get to deduct their commission payment from the insured’s payment prior to sending the net amount to the carrier. The statement represents the carrier’s best estimate of what the producer owes.

The producer also gets to review the statement and notify the carrier of any exceptions. The carrier can attempt to resolve these exceptions prior to receiving payment.

In Part 3 of the agency bill plan, the **Statements** settings specify how the *statement bill* is handled for the producer. This section of the agency bill plan specifies the following:

User interface name	Agency Bill Plan field	Meaning
Statements		
Send statement after cycle close	StatementSentAfterCycleClose	Yes — BillingCenter sends a statement invoice to the producer after the billing cycle has closed. Several additional fields display that you must complete. No — BillingCenter does not send a statement.
If you specified Yes for Send Statement After Cycle Close, complete the following:		
Days	DaysAfterCycleCloseToSendStmnt	Specifies the number of days after the close of a cycle that a statement invoice is sent to the producer.
Show previous non-past-due amounts	SnapshotNonPastDueItem	Controls when BillingCenter takes a snapshot of invoice items: Yes — After a statement invoice becomes billed, BillingCenter creates a snapshot of all unpaid invoice items from the previous statement. This is regardless of whether they are past due. No — BillingCenter creates a snapshot of only those unpaid invoice items from the previous statement invoice that are actually past due.
Suppress statement on low balance	StatementWithLowNetSupressed	Yes — Any statement that has a net amount below the following threshold is blocked from being sent to the producer.
Threshold	ClearGrossThreshold	Specifies the threshold amount.

See also

- “Agency Bill Cycles” on page 341 for details on monthly cycles.
- “Agency Bill (Statement) Processing” on page 345 for details on Statement Bill processing.
- “Working with Agency Bill Exceptions” on page 355 for details on exceptions handling.

Account Current

If the producer uses account current processing, the carrier receives details on the amounts that the producer promises to pay by a specified date. On the closing date of each monthly cycle, BillingCenter does not send a statement to the producer. Instead, a *Promise to Pay* is due from the producer on the due date.

If BillingCenter does not receive a Promise to Pay from the producer by the specified due date and **Generate Exception if Past Due** is set to Yes:

- BillingCenter generates an exception.
- The agency bill workflow events trigger a reminder that is sent to the producer.

The values provided on the Promise to Pay screen include the expected gross, commission, and net amounts in dollars or percentages, for each listed item.

For example, when a producer has an *account current* relationship with the carrier, the producer agrees to send the carrier an accounting of what is owed each month. This accounting, called a *promise to pay*, gives the carrier time to review the producer’s input and notify the producer of any exceptions prior to receipt of payment.

In Part 4 of the agency bill plan, the **Account Current** settings specify how *promise to pay* is handled for the producer. This section of the agency bill plan specifies the following:

User interface name	Agency Bill Plan field	Meaning
Account Current		
Send reminder notice if promised not rec'd	ReminderSentIfPromiseNotRcvd	If Yes, a reminder notice is sent to the producer if they have not sent their Account Current Promise to Pay to the carrier. If No, a reminder is not sent to the producer.
Days	DaysUntilPromiseReminderSent	Specifies the number of days after the close of a cycle that a reminder is sent if the promise has not been received.
Promise Due (in x days from cycle close)	PromiseDueinDays	Specifies the number of days after the cycle closes which determines when the promise is considered due.
Generate exception if no promise rec'd	ExceptionIfPromiseNotReceived	If Yes, an exception is generated if the producer had not sent their Account Current Promise to Pay to the carrier.
Stmnt of Exceptions after promised processed	PromiseExceptionsSent	If Yes, a statement of exceptions is sent to the producer after the Promise is processed.

See also

- “Agency Bill Cycles” on page 341 for details on monthly cycles.
- “Agency Bill Promise Handling” on page 351 for details on Account Current processing.
- “Working with Agency Bill Exceptions” on page 355 for details on exceptions handling.

Payments on Agency Bill Plans

The Payment settings on the agency bill plan specify how payments, exceptions, and dunning notices are handled and indicates the write-off threshold for producer payments. Although payment settings usually are specified in payment plans, a producer using agency bill processing has additional considerations around responding to a statement bill or submitting a promise. In these cases, agency bill processing has agency bill workflows that trigger if payments or promises are past due and the past due amount is larger than the write-off threshold.

For example, for an agency bill producer with statement bill processing, the producer has a certain number of days after cycle close to pay the statement. According to the plan:

- If BillingCenter does not receive the payment by the end of the payment term, then BillingCenter sends a dunning notice to the producer after the due date. (That is, if the payment plan specifies that BillingCenter send a dunning notice.)
- If the past due amount falls below the write-off threshold amount for that producer, then BillingCenter writes off the past due amount instead and does not send a dunning notice.

In Part 5 of the agency bill plan, the Payments settings specify how *agency bill payments and exceptions* are handled for the producer. This section of the agency bill plan specifies the following:

User interface name	Agency Bill Plan field	Meaning
Payments		
Statement of Exceptions after payment processed	PaymentExceptionsSent	If Yes, a statement of exceptions is sent to the producer after the payment is processed.
Send dunning notice after due date if not paid:	FirstDunningSentNotPaid	If Yes, send the first dunning notice if payment is not received within a specified number of days after the due date.
Producer Write-off Threshold	ProducerWriteoffThreshold	Specifies the threshold amount at which the producer payment gets written off.

See also

- “Working with Payment Plans” on page 119 for details on the payment settings.
- “Agency Bill Cycles” on page 341 for details on monthly cycles.
- “Agency Bill Payments” on page 345 for details on handling agency bill payments.
- “Working with Agency Bill Exceptions” on page 355 for details on exceptions handling.

Clearing Logic

BillingCenter does not provide a default solution for the following settings.

The Clearing Logic settings require configuration and work only with scripts that you provide. When configuring clearing logic, use Part 6 of the agency bill plan, the clearing logic settings.

User interface name	Agency Bill Plan field	Meaning
Clearing Logic (These settings are not implemented in the default implementation of BillingCenter.)		
Clear commission differences	ClearCommissionThreshold	If Yes, automatically writes off commission differences if the amount is less than threshold.
Threshold	ClearLogicTarget	Specifies the commission threshold amount.
Clear gross differences	ClearGrossThreshold	If Yes, automatically writes off gross differences if the amount is less than the threshold.
Threshold	ClearLogicTarget	Specifies the gross threshold amount.
Use logic for:		Indicates how the agency bill plan uses the clearing logic. Options include, Payments Promises, or Both.

Affect Billed Statement Settings

The **Affect Billed Statement** settings determine where any offsets are placed for charge holds, assignment of items, or payment plan schedule changes.

On Item Moved Setting

The **On Item Moved** setting specifies that if BillingCenter moves or reverses an item on a billed statement as a result of a charge hold or item reassignment, then:

- If this field is set to **Yes**, then BillingCenter places the offset for that item on the same **Billed** statement. This is true even if the statement has already been sent to the producer.
- If this field is set to **No**, then BillingCenter places the offset for that item on the next **Planned** statement.

Charge holds placed on a policy cause any **Billed** items to be immediately reversed.

See also

- “Working with Charge Holds” on page 248
- “Assigning a Payer for Charges and Items” on page 205
- “Reassigning a Payer” on page 211

On Payment Schedule Change Setting

The **On Payment Schedule Change** setting specifies if an item is moved as a result of a payment plan reschedule, the offset for that item is placed as follows:

- If this field is set to **Yes**, the item is placed on the same **Billed** statement even if the statement has already been sent to the producer. Most likely that statement will be resent to the producer.
- If this field is set to **No**, the item is placed on the next **Planned** statement.

See also

- “Aligning Payment Schedules” on page 120 for details on payment schedules.
- “Changing the Payment Schedule” on page 120 for details on changing a payment plan schedule.

In Part 7 of the agency bill plan, the **Affect Billed Statement** settings specify where any offsets created for charge holds, item reassessments, or payment plan rescheduling are placed. This section of the agency bill plan specifies the following:

User interface name	Agency Bill Plan field	Meaning
Affect Billed Statement		
On item moved	CreateOffsetsOnBilledInvoices	If Yes , means that an offset is created on the same (Billed) invoice when the offset is created for a moved or held billed item. If No , creates the offset on the next Planned invoice.
On payment schedule change	PmntSchdChngOffsetOnBilled	If Yes , means that an offset for a payment on a billed item is created on the same (Billed) invoice, during a payment schedule change. If No , an offset is created on the next Planned invoice.

Configuring Dunning Notices in the Agency Bill Plan

If you use the Standard Agency Bill plan, use Part 5 (the **Payments** section). In this section of the screen, you can configure the number of days after cycle close that you want to send the first dunning notice to a producer. In addition, you can also configure the number of days after the first dunning notice is sent that you want to send a second dunning notice.

An *agency bill workflow* defines the events (such as sending a dunning notice) that take place during an agency bill cycle. It defines an agency bill cycle, which is the period of time it takes to process the actions involved in the completion of one statement invoice. You associate a workflow type with the agency bill plan by selecting the type in the **Plan Info** section of the agency bill plan. When a statement's invoice status changes to **Billed**, an **AgencyBillWorkflow** object is created based on the terms specified in the agency bill plan that processes the statement invoice.

The associated workflow type is a required field in the agency bill plan. The workflow is where you configure the behavior that you want to occur for each event.

For example, to send a dunning notice when using the default **Standard Agency Bill Plan** with the default **Standard Agency Bill** workflow, you *must* do the following:

Define the First Dunning Notice Date

1. Select the **Yes** button next to **Send Dunning Notice After Due Date If Not Paid** in Part 5 (the **Payments** section) of the agency bill plan. The first **Days** field displays.
2. Enter the number of **Days** after the cycle close date that you want the dunning notice to be sent. The **Days** field displays.

Define the Second Dunning Notice Date

1. Select the **Yes** button next to **Send Second Dunning Notice After First Dunning Notice If Not Paid** in Part 5 (the **Payments** section) of the agency bill plan. The second **Days** field displays.
2. Enter the number of **Days** after the first dunning notice that you want the second dunning notice to be sent.

Review the **Cycle Events** for a given cycle on the **Agency Bill Cycles** screen to see the governing plan that defines the dates and events for the given cycle.

However, if you check the shipped Standard Agency Bill Workflow, you will see an event called **CheckDunning1Needed**. This event checks to see if the statement has been fully paid. If it has been fully paid, the Dunning event does not complete and the workflow skips that event. Configure this area of the workflow to contain any logic you may find the most useful.

You can customize the Workflow by adding workflow elements and configuring Gosu code in those elements. For example, if you want a specific event to trigger in the workflow, then you can add Gosu code to the event. Also, to add a step to a **Send Statement** event in your workflow, add Gosu code to the execution block of the **Send Statement** step of the workflow.

See “Understanding Workflow” on page 341 in the *Configuration Guide* for more details on using workflows.

BillingCenter ships a Standard Agency Bill Plan and a Standard Agency Bill Workflow. For each event in the agency bill cycle, the agency bill plan determines whether the event needs to be scheduled.

Related Agency Bill Documentation

The following list describes a number of additional topics related to agency bill processing:

Topic	See
Setting up a producer	<ul style="list-style-type: none">“Producers” on page 95
Overview of agency bill plans	<ul style="list-style-type: none">“Agency Bill Processing Overview” on page 339
How commission plans work with producers	<ul style="list-style-type: none">“Working with Commission Plans” on page 151
Assigning items	<ul style="list-style-type: none">“Assigning a Payer for Charges and Items” on page 205
Reassigning items	<ul style="list-style-type: none">“Reassigning a Payer” on page 211

Commission Plans

Commission plans determine the amounts of commission to pay producers for *policy business* they provide. In BillingCenter, policy business refers to the selling of a new policy or the renewal of an existing policy. BillingCenter uses the associated commission plan to calculate the commission for the producer.

A commission is a fee that a carrier pays to a producer. Carriers use commission to compensate producers for the policy business they provide to the carrier and for the services they provide to accounts. Commission is usually calculated as a percentage of the policy premium. Carriers can pay different commission rates based on criteria such as the underwriting company, type of policy business, and charge type. They often pay a higher commission rate for new policies than for renewals. Carriers typically maintain a commission schedule, which is a table of commission rates and criteria that determine the rate to pay. You implement the commission schedule business logic in BillingCenter by mapping the contents of the commission schedule to commission plans and subplans.

This topic includes:

- “Commission Plan Contents” on page 145
- “Subplan Properties” on page 146
- “Creating and Editing Commission Subplans” on page 149
- “Configuring Commission Plans” on page 150
- “Working with Commission Plans” on page 151
- “Related Commission Plans Documentation” on page 155

Commission Plan Contents

A commission plan has the following properties:

- Name
- Effective date
- Expiration date
- Allowed tiers
- Default subplan

- Optional conditional subplans

Name and Date Properties

The commission plan name is the name you see in the list of commission plans when you choose a commission plan to associate with a producer code. Choose a name that is descriptive and distinguishes this plan from other plans.

A commission plan is valid beginning on the effective date and ending on the expiration date. Only valid commission plans are available to associate with a producer. You must set the effective date. Setting the expiration date is optional.

Allowed Tiers Property

Use tiers to specify which tier of producer qualifies for the commission plan. The commission plan has three tier levels in the base product: **Gold**, **Silver**, and **Bronze**.

Carriers set various commission tiers for producers that submit more business or to reach certain collection goals. If a producer reaches one of these goals, the producer qualifies for the higher commission rates of a better tier. You must select at least one tier.

Commission Subplans

Each commission plan has one or more subplans.

A *subplan* defines commission rates, which events cause commission to be paid, the types of charges that earn commission, and any additional incentive rates.

Each commission plan has one default subplan and zero or more conditional subplans.

Conditional subplans have availability criteria and priorities. BillingCenter uses properties of the account, policy, policy period, and producer to determine which subplan to use. BillingCenter looks for the first matching subplan, checking each subplan for a match by using subplan priority order, and uses the first matching subplan. If BillingCenter does not find a matching conditional subplan, it uses the default subplan.

Subplan Properties

Commission subplans allow you to:

- Set commission rates for each producer role
- Specify when commission is earned
- Specify which charge types earn commission
- Override the default commission rate for a particular producer role and charge type
- Specify producer incentives
- Control which subplan BillingCenter will use to calculate commission

Commission Rates

Each commission subplan allows you to specify a commission rate for each producer role—**Primary**, **Secondary**, and **Referrer** in the base product.

Specifying When Commission is Earned

The following two subplan properties control when commission is earned:

- Commission payable criteria — What events, dates, or other criteria cause commission to become payable
- Suspension of Payability — Whether BillingCenter suspends commission earning during a delinquency

Payable Criteria

A commission becomes earned when the payable criteria specified in the commission subplan is met. For example, if the payable criteria for a producer is **On Binding** then the entire commission becomes earned on the date the policy is bound.

Depending on the payable criteria, commission may be earned all at once or *pro rata* (proportionally over time).

When commission becomes payable, BillingCenter moves funds from the policy period **CommissionReserved** T-account to the producer code's **CommissionsPayable** T-account.

The **Payable Criteria: Earn Commissions** options available in the base configuration are described in the following table.

Payable Criteria	Description
On First Payment Rec'd	Producer earns all commission for the policy period when the carrier receives the first payment. The payment may be partial or full.
On Payment Rec'd	Producer earns commission for items on an invoice as the carrier receives each payment. If a commissionable item is partially paid, commission is earned on that portion at the time the carrier receives the partial payment. The portion of the commission earned is equal to the amount of the payment applied to commissionable charges divided by the total of all commissionable charges for the policy period.
On Binding	Producer earns commission when the policy period is bound. The entire commission is earned at once on binding. If any associated invoice items are reassigned later, the commission remains with the original producer unless the payments are reversed.
On Billing	Producer earns commission when each invoice for the policy period is billed. The portion of the commission earned is equal to the amount of commissionable charges on the current invoice divided by the total amount of commissionable charges for the policy period.
On Invoice Fully Paid	Producer earns commission for the items on an invoice when the invoice is fully paid.
On Effective Date	Producer earns all commission for a policy period on the policy period's effective date. If the policy period is created before the effective date, commission is earned when the Commission Payable Calculation batch process (CmsnPayable) runs on or after the effective date. If the policy period is created on or after the effective date, commission is earned immediately.
On Expiration Date	Producer earns all commissions for a policy period on the policy period's expiration date.
Custom	Enables you to define your own logic to determine when commission becomes payable. For further information, see "Custom Item Commission Allocations" on page 164 in the <i>Integration Guide</i> .

Suspension of Payability

BillingCenter can suspend the payment of commissions based on the suspension options on the subplan. For each of the suspension options, if the option is set, and the condition is met, BillingCenter suspends the normal payability calculations until the condition is resolved. By default, BillingCenter ships with a single suspension option configured, **Suspend for Delinquency**. If the policy is delinquent, then BillingCenter suspends the payable calculation until the suspension is lifted.

For example, suppose that there is a subplan whose payable criteria is expiration date, and the suspend for delinquency flag is set. The policy is delinquent, and the expiration date passes. Normally, the passing of the expiration date would trigger the payability of the commission for this policy. However, because the policy is delinquent, the commission does not become payable. It will only become payable when the delinquency is resolved.

Commissionable Items

Use the **Commissionable Items** tab to specify which items earn commission. For example, you usually add **Premium** to the commissionable items because producers normally earn commission on premiums. Items added to this tab earn commission at the rate specified on the **General** tab for each producer role, unless overridden by another rate on the **Special Rates** tab.

The available items on this tab are the charge patterns with **PolicyPeriod** as the assigned **T-account Owner**.

See “Charge Patterns” on page 170 for more details on using charge patterns.

To add a commissionable item

1. Create or edit a subplan.
2. Click **Add**.
3. Select a charge pattern.
4. Click **Update** to save your changes.

Special Rates

Use the **Special Rates** tab to override commission rates paid to a particular producer role for a charge type. The available choices on this tab are the charge patterns with **PolicyPeriod** as the assigned **T-account Owner**. See “Charge Patterns” on page 170 for more details on using charge patterns.

Examples follow:

- You want to pay secondary and referrer producers a lower commission for reinstatement fees than for premiums. You add a special rate for secondary and referrer producers for the **Reinstatement Fee** charge pattern.
- You want to pay commission to all producer roles for premiums, but only pay the primary producer commission on taxes. You add a single special rate to set the commission paid to primary producers for the **Taxes** charge pattern. You do not include taxes in your commissionable items.

To add a special rate

1. Create or edit a subplan.
2. Click **Add**.
3. Select a charge pattern.
4. Select a role.
5. Enter a special commission rate.
6. Click **Update** to save your changes.

Incentives

Use the **Incentives** tab to add an incentive paid to the primary producer when commissionable charges exceed a specified threshold. Incentives are a way to reward producers for meeting performance goals. A subplan can have zero or more incentives. In the base product, only the primary producer role earns incentive commission.

BillingCenter calculates incentives upon policy period closure. When a policy is closed, BillingCenter checks each incentive on the subplan being used to see if it applies. If the commissionable charges for the policy period exceed the threshold amount, then the primary producer earns the additional incentive commission. Any such commission is payable immediately.

For example, consider a subplan with a 2% incentive on any policy period with more than \$10,000 in commissionable charges. The subplan includes both premiums and taxes as commissionable items. For a policy with \$11,000 total charges (\$9,000 premium, \$2,000 taxes), the producer earns a bonus, because the total commissionable charges are over the \$10,000 threshold. The producer earns the following incentive amount for the policy period when it closes:

$$\$11,000 \times 2\% = \$220$$

To add an incentive

1. Create or edit a subplan.
2. Click **Add** on the **Incentives** tab. The **New Premium Incentive** screen appears.
3. Enter the **Bonus Percentage**—the percentage of the commissionable charges that the carrier pays to the primary producer as incentive commission.
4. Enter the **Threshold**—the amount the commissionable charges must exceed for the carrier to pay the incentive to the primary producer.
5. Click **OK**.
6. Click **Update** to save your changes.

Subplan Availability

This tab only appears if you have defined a non-default subplan. The **Subplan Availability** tab allows you to specify the types of customers, businesses, and products the subplan applies to. This tab is available for all subplans except the default subplan. Because the default subplan is always available, it does not have a **Subplan Availability** tab. BillingCenter uses the default subplan if the conditions of other subplans are not met (or if there are no other subplans).

BillingCenter checks the list of existing subplans, in priority order, and chooses the first qualified subplan that matches the criteria. If none of the subplans match, it uses the **default** subplan, which by definition always has the lowest priority.

Subplan Priority

Subplan priority is only relevant if you have more than one subplan. It sets the order that BillingCenter uses to evaluate subplans to when selecting an applicable subplan to use. BillingCenter compares each subplan with the account, policy, policy period, and producer properties, and uses the first matching subplan. If it does not find a matching subplan, it uses the default subplan.

You can change the priority of a subplan by clicking on the **Move Up** or **Move Down** link.

Creating and Editing Commission Subplans

A conditional subplan contains both the *conditions* and *terms* of how BillingCenter calculates commissions for any producers associated with the plan.

- BillingCenter uses the conditions to determine whether a subplan applies to a particular policy. A subplan applies to a policy if the policy meets all the conditions of the subplan. Conditions include such items as line of business, policy term, and underwriting company.
- BillingCenter uses the terms to calculate the actual commission. Terms include rates, incentives, and other factors that go into the commission calculation.

You can add new subplans, edit existing ones, or reorder existing subplans on a commission plan. However, if a commission plan is in use you cannot edit or remove associated subplans, except to change the subplan priority. Instead, you can create a new commission plan or clone an existing one, so that the plan you use has the desired settings.

The following table lists the tabs you use to set the commission subplan properties:

Commission Subplan tab	Properties	For details:
General	Rates and payable criteria.	"Commission Rates" on page 146
Commissionable Items	Charge types that earn commission.	"Commissionable Items" on page 148
Special Rates	Commission rates overrides by charge type and role.	"Special Rates" on page 148
Incentives	How producers can earn additional commission amounts.	"Incentives" on page 148
Subplan Availability	Criteria that determine which subplan BillingCenter uses. The default subplan does not have a Subplan Availability tab.	"Subplan Availability" on page 149

Creating a Subplan

You can add new subplans to a commission plan as follows

1. From **Administration** → **Commission Plans**, click the name of the commission plan to which you want to add a new subplan. The commission plan screen opens.
2. Click **Edit** and then click the **Add** button under **Subplans**.
3. Enter values in the subplan properties tabs. See "Subplan Properties" on page 146 for details.
4. Click **Update** to save your changes.

Editing a Subplan

You can edit a subplan, as long as the commission plan is not in use, as follows

1. From **Administration** → **Commission Plans**, click the name of the commission plan that contains the subplan you want to edit. The commission plan screen opens.
2. Click the name of the subplan that you want to edit.
3. Click **Edit** at the top of the commission screen.
4. Edit the subplan properties. See "Subplan Properties" on page 146 for details.
5. Click **Update** to save your changes.

Configuring Commission Plans

You can configure BillingCenter to change how commission is calculated. A discussion of how to configure incentive types follows. For information about configuring the commission customization and override plugins, see "Commission Plugins" on page 162 in the *Integration Guide*.

Configuring Incentive Types

BillingCenter base product includes predefined set of incentives. You can also define your own incentives.

To define a new incentive

1. Define a new entity by extending `Incentive`, `PolicyBasedIncentive`, or `PremiumIncentive`.
2. Define the user interface for creating an instance of this incentive. You do this by adding a new modal instance of the `IncentiveDetailDV`. For example, for a new incentive type named `LargePremium`, define a new PCF file named `IncentiveDetailDV.LargePremium.pcf`.
3. Define the incentive calculation in the `calculatePolicyBasedIncentiveBonus(PolicyBasedIncentive)` method of the `IIncentiveCalculator` plugin. BillingCenter ships with a Gosu implementation of this plugin (`gw.plugin.commission.impl.IncentiveCalculator`). You can add a case for your new incentive subtype to this implementation, or define your own implementation from scratch by implementing the `IIncentiveCalculator` plugin yourself.

Note: For information on the BillingCenter Incentive Calculator, see “Incentive Calculation Plugin” on page 162 in the *Integration Guide*.

Working with Commission Plans

Every producer, whether agency bill or direct bill, has a commission plan. The commission plan is selected when you create the producer. BillingCenter uses the plan to calculate the appropriate commission by applying the base commission rate to each commissionable charge on the policy period. For example, assume a policy has the following commissionable charges:

- \$10,000 premium
- \$200 taxes

If the base commission rate is 18%, the total commission is:

$$(\$10,000 \times 18\%) + (\$200 \times 18\%) = \$1,800 + \$36 = \$1,836$$

For flexibility, the base commission rate can be overridden on a per-charge basis. For example, the commission rate for the Taxes charge can be set to 10%. The total commission is then calculated as:

$$(\$10,000 \times 18\%) + (\$200 \times 10\%) = \$1,800 + \$20 = \$1,820$$

Overriding Commission Rates

You can track and manage commission balances at the item – producer code – role level. However, you also can specify (set) commission rates in other levels, not dependent on where the rate is set. Overriding charges at the charge-level takes precedence over other overrides at the item-level or in the commission plan. If you override a charge, any overrides that you have set at the item level will be overridden by this change. The changes to the reserve happen at the item – producer code – role level. Populating the rate at the charge level sets or adjusts the reserve at the item level.

When an override is found, BillingCenter changes the commission rate and the active producer’s reserve. You can do this using domain methods or the user interface.

Overriding Commission Rates Programmatically

From Gosu code, you can call the following methods to override the commission rate for item—producer code—role at the item and charge level.

- **For item-level overrides**, call either of the following methods, where the `BigDecimal` parameter specifies the new commission rate:
 - `InvoiceItem.overrideCommissionRate(PolicyRole, BigDecimal, RoundingMode)`
 - `InvoiceItem.overrideCommissionRate(PolicyRole, BigDecimal)`, which calls the above method with the parameter `RoundingMode.DOWN`.
- **For charge-level overrides**, call `Charge.overrideCommissionRate(PolicyRole, BigDecimal)`

Charge-level overrides reset all item-level rates and change commission reserves for all items belonging to the charge.

Note: Overriding the rate of a `PolicyCommission` entity affects future charges only. To override the rate of existing charges, each individual charge must be overridden manually.

Overriding the commission rate adjusts commission reserves to match the new commission percentage. The charge-level and item-level overrides act only on reserves for the active producer codes of specified roles.

Overriding Commission Rates Using the User Interface

BillingCenter calls the `Charge.getCommissionRate(rate, role)` method to determine the commission rate to be used for the corresponding producer code. In doing this, it checks for commission overrides in the following order:

1. Charge Commission Level

To override the commission rate at the policy commission level, from **Policy** → **Charges** select the charge you want to override and click the **Override Commission** tab. Enter a new rate on the **Commission Rates** screen and click **OK** to complete the process. This changes the commission rate at the charge level.

2. Policy Commission Level

To override the commission rate at the policy period level, from **Policy** → **Commissions** select the correct producer and then click the **Override Plan** tab. Choose **Percentage** from the drop down list on the **Override Commission Plan** screen and enter a new commission rate. Click **Update** to complete the process. This changes the amount for the policy period's commission rate. A transaction that represents the adjustment to the new commission rate shows up in the **Transactions** section of the **Commissions** screen.

3. Commission Plan (Sub Plan) Level

To override the commission rate at the commission plan, Subplan level, from **Administration** → **Commission Plans** select the commission plan associated with the producer. From the **Subplans** section of the commission plan:

- Change the assigned commission rate for the producer on the **General** tab.
- Provide a commission rate, by role and charge pattern to allow overrides on the default rate on the subplan on the **Special Rates** tab.

Any future policies associated with this producer will use this new commission rate.

Commission Remainder

When BillingCenter overrides the commission rate at the charge level, it also reverses any remainders. If necessary, it creates new remainders at the new commission rate. It is more precise to do this during a charge-level override than to try to adjust remainders at the item level.

Item Commission Balances

BillingCenter tracks commission balances at the `item - producer code - role` level. There is a maximum of one *active* producer code for each role on an item. For example, if the active producer code is paired with the primary role, then the item commission is tracked for that pair. The same would apply to active producers with either a Secondary or Referrer role. The total commission amount for each `item - producer code - role` is the sum of the following four balances, collectively known as the *item commission*:

Reserve	Payable	Paid	Write-off

- Commissions Reserve is the remaining amount to be earned
- Commissions Payable is the amount earned and to be paid on the producer's commission day of the month
- Commissions Paid is the sum of direct bill commission paid and agency bill commission retained

- Commissions Write-off are commissions that will not be paid. There are various reasons for writing off commissions, including:
 1. The commission amount is trivial, such as a commission remainder which occurs automatically when the commission amount cannot be evenly distributed across invoice items.
 2. The producer cannot be contacted for some reason, such as change of address.
 3. The producer has gone out of business.
 4. The premium has been written off.

These four properties of item commission are tracked for every associated product code. The `ItemCommission` entity that tracks these four attributes or denormalized balance fields on an invoice item that represent the commission balances on that item. BillingCenter calculates the commission balance each time a change is made to the producer code's commission reserve. For example, if a producer earns a 10% commission on a \$1000 item. BillingCenter creates a commission reserve of \$100. The item commission would look as follows:

Reserve	Payable	Paid	Write-off
100			

When a partial payment of \$300 is made, the producer earns a \$30 commission. The item commission would change as follows:

Reserve	Payable	Paid	Write-off
70	30		

When the Producer Payment batch process is run, the producer is paid the \$30 commission. The item commission would change as follows:

Reserve	Payable	Paid	Write-off
70		30	

If there was a \$10 write-off, the item commission would change as follows:

Reserve	Payable	Paid	Write-off
60		30	10

This scenario assumes that the **Earning Commission** criteria, as shown in the producer's associated commission plan, is **On Payment Rec'd**.

Mapping a Commission Schedule to a Commission Plan

You create commission plans based on a carrier's commission schedule. Billing Center uses the properties of commission plans and subplans to match a commission subplan with the producer code that generated the policy business. If more than one producer code is responsible for the policy business, BillingCenter calculates the commission for each producer code based on the associated commission plan.

The following example illustrates how subplan priority and the default subplan work together to define the commission rate paid to a producer for a specific type of policy business.

An existing carrier commission schedule might include the following information:

Index	Underwriting company	Line of business	State	Term	Rate
1	Acme	Commercial Property Coverage	FL	Initial	16%
2	Acme	Commercial Property Coverage	FL	Renewal	10%
3	Fifth Wheel	Commercial Property Coverage	FL	Initial	14%
4	Fifth Wheel	Commercial Property Coverage	FL	Renewal	8%

One way to map this schedule to a BillingCenter commission plan is to create a single commission plan with three subplans, defined as follows:

Subplan name	Priority	Rate	Subplan availability	Carrier schedule index
Acme-FL Prop New	1	16%	<ul style="list-style-type: none"> • Commercial Property = Yes • Terms <ul style="list-style-type: none"> • Initial Business = Yes • First Renewal = No • Second Renewal = No • Third Renewal = No • Thereafter = No • Allow States = FL • Allow UW Companies <ul style="list-style-type: none"> • Acme = Yes • FifthWheel = No 	1
Acme-FL Prop Renewal	2	10%	<ul style="list-style-type: none"> • Commercial Property = Yes • Terms=All <ul style="list-style-type: none"> • Allow States = FL • All UW Companies <ul style="list-style-type: none"> • Acme = Yes • FifthWheel = No 	2
Fifth Wheel-FL Prop New	3	14%	<ul style="list-style-type: none"> • Commercial Property = Yes • All other products = No • Terms <ul style="list-style-type: none"> • Initial Business = Yes • First Renewal = No • Second Renewal = No • Third Renewal = No • Thereafter = No • Allow States = FL • Allow UW Companies <ul style="list-style-type: none"> • Acme = No • FifthWheel = Yes 	3
Default	n/a	8%	n/a	4
				<p>Note: BillingCenter uses the Default subplan for this case because no other subplans match the criteria.</p>

Related Commission Plans Documentation

The following table lists additional topics related to commissions:

Topic	See
Setting up a producer	<ul style="list-style-type: none">“Creating or Editing a Producer” on page 95
Creating a commission plan	<ul style="list-style-type: none">“Setting Up a Commission Plan” on page 96
Making payments to a producer	<ul style="list-style-type: none">“Producer Payments” on page 309
Moving commission amounts	<ul style="list-style-type: none">“Moving Commissions from Reserves to Payable” on page 313

part V

Billing Instructions and Charges

Billing Instructions

A *billing instruction* is a set of directions from the policy administration system to BillingCenter, specifying a set of charges for BillingCenter to bill.

This topic includes:

- “Billing Instruction Overview” on page 159
- “Interaction with a Policy Administration System” on page 160
- “Billing Instruction Subtypes” on page 163
- “Related Billing Instruction Documentation” on page 165

Billing Instruction Overview

A *billing instruction* is a set of directions from the policy administration system (PAS) to BillingCenter that specify the charges to be billed to the insured. On receipt of a billing instruction, BillingCenter determines how to invoice each charge.

If a carrier creates, changes, renews, or cancels a policy and there are associated billing requirements, the policy administration system sends information to BillingCenter. When BillingCenter receives the information, it creates a billing instruction and initiates or updates the billing or refund process.

The billing instruction contains the following information:

- Policy
- Account owner
- Producer
- Charges
- Payment plan (for issuance, renewal, rewrite, or new renewal)
- Payer for each charge (optional)

The type of billing instruction determines how BillingCenter handles the charges. A new policy period, a policy change, or a renewal each results in different BillingCenter actions. The billing instruction contains the information and instructions necessary for BillingCenter to take a set of charges and to create one or more invoices.

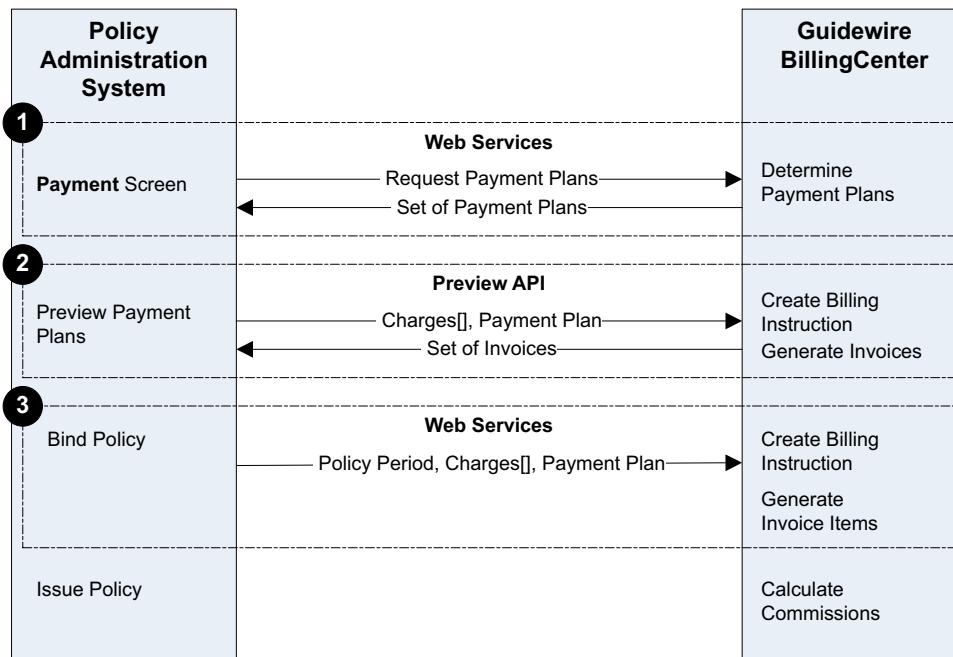
During this process, BillingCenter uses the billing instruction to:

- Determine the charges involved
- Convert the charges into invoice items
- Place the invoice items on invoices

Interaction with a Policy Administration System

For every policy transaction, BillingCenter and the policy administration system (either PolicyCenter or some other policy administration system) exchange information. This exchange provides the essential information that each system needs to complete its tasks.

The following illustration shows a simplified view of one such interaction:



The following is a basic description of this interaction.

1. A customer calls an insurance company and requests a quote on a policy. The customer service representative (CSR) walks the customer through the quote process and eventually arrives at a **Payment** screen. The **Payment** screen lists the available payment plans. The policy administration system receives this information from BillingCenter, typically through a web services call requesting the set of available payment plans.

The web service call attempts to discover whether the account exists in BillingCenter.

- If the account exists, BillingCenter simply returns the account public ID.
- If the account does not exist, BillingCenter creates the account and returns the account public ID.

The web service call then attempts to determine whether the primary, secondary, and referring producers exist in BillingCenter. Along with the request, the policy administration system sends the list of producers and producer codes. Again, if they exist, BillingCenter returns their public IDs. If not, BillingCenter must create them and return their public IDs. Finally, BillingCenter returns the set of available payment plans.

2. After the customer selects a payment plan, the policy administration system sends a request to BillingCenter to generate the invoice items for the selected payment plan. The request includes information on the charges involved and the payment plan. BillingCenter calculates the invoice items and returns the set of invoice items to the policy administration system.
3. Upon completion of the quote, after the CSR initiates the bind process, the policy administration system sends information (typically, through web services) to BillingCenter about the following:
 - The policy period
 - The set of charges
 - The payment plan

At this point, BillingCenter creates the appropriate billing instruction and saves the billing information to the database. BillingCenter can now use this information to start the billing process.

Configuring Policy Administration System Input

A policy administration system uses the `BillingAPI` web service to send the data that BillingCenter needs to create a billing instruction. This web service is the main way that BillingCenter and the policy administration system interact with each other. Two of these methods are described below.

- `issuePolicyPeriod` - A policy administration system calls this method to tell BillingCenter that a policy has been issued.
- `changePolicyPeriod` - A policy administration system calls this method to tell BillingCenter that a policy has been changed.

See also

- “Understanding Billing Instruction Subtypes” on page 86 in the *Integration Guide*
- “Billing Instructions” on page 159
- “Policy Administration System Core Web Service APIs (`BillingAPI`)” on page 85 in the *Integration Guide*

For an overview of PolicyCenter integration with BillingCenter, see “Policy Administration System Integration” on page 399. See also the “Billing Integration” topic in the *PolicyCenter Integration Guide*, which is in the separate documentation set for PolicyCenter.

Billing Instruction Contents

A *billing instruction* is a command from an external system—a policy administration system—to implement or modify billing information attached to a policy transaction. There are different types of billing instructions, such as issuance, renewal, and reinstatement.

A *billing instruction* is also a container for one or more charges and related information that BillingCenter receives as a command from an external policy administration system to generate invoices. The contents of a billing instruction depends on the type of billing instruction. For example:

- The *issuance* billing instruction contains a reference to the new account and policy period or a request to create a new policy period associated with the new account.
- The *renewal* billing instruction contains the information used to create a new policy period on an existing policy.
- The *policy change* billing instruction contains information about any new charges or changes to existing charges.
- The *cancellation* billing instruction contains information used to cancel a policy. BillingCenter uses this information to set a negative charge that cancels the original.
- The *reinstatement* billing instruction contains a charge that represents the financial cost of the reinstatement.

See “Billing Instruction Subtypes” on page 163 for details on all billing instructions types.

Each billing instruction can include different kinds of information based on its type. Billing instructions can include information about charges, charge groups, and special handling instructions.

The types of information that a policy administration system can include with a billing instruction are:

- “Charge Information” on page 162
- “Special Handling Instructions” on page 162
- “Special Handling Instructions” on page 162

Charge Information

All billing instruction types contain a list of charges. The information for each charge includes the charge type, amount, and charge pattern ID.

See also

- “Charge Invoicing Process” on page 181
- “Charges” on page 167
- “Charge Patterns” on page 170

Special Handling Instructions

A special handling instruction tells BillingCenter how to handle the charges contained in a billing instruction. The policy administration system includes the special handling information as part of a billing instruction. BillingCenter processes the special handling instruction during charge invoicing.

For example, an underwriter may use a special handling instruction to request that a very small charge be billed on the next invoice rather than split into installments.

BillingCenter handles a charge according to the types of special handling instructions listed in the following table.

Attribute	Name	Description
billimmediately	Bill Immediately	Bill charges immediately.
billonnext	Bill on Next Invoice	Bill charges on the next invoice.
holdforaudit	Hold for Final Audit	Hold charges on this billing instruction for final audit.
holdforauditall	Hold for Final Audit (All Unbilled Items)	Hold all unbilled items on the policy period for final audit.

Setting Up Special Handling Programmatically

You can add special handling instructions to the message from the policy administration system that BillingCenter uses to create the billing instruction for a policy change.

Setting Up Special Handling in BillingCenter

To manually create a special handling instruction for a policy change:

1. In BillingCenter, select the policy you want to change from the **Policy** tab.
2. Select **Actions** → **Change Policy**.
3. From the **Policy Change Wizard**, select the special handling instructions from the drop down menu. For example, choose the **Bill on Next Invoice** option to have the change added to the next **Planned** invoice.
4. Click **Next** and then **Add** to enter the new charge.

Billing Instruction Subtypes

Each billing instruction contains certain basic information, including:

- Charges—an array of charges
- PaymentPlan—A payment plan

You use different subtypes of billing instructions for different kinds of policy transactions. Each subtype requires additional information that is necessary for that particular billing instruction subtype.

The following tables list the billing instruction subtypes and some of the major fields on the subtype. As you can see from the tables, most billing instructions pertain only to policies. However, a few simply reference an account.

Note: See the *BillingCenter Data Dictionary* for information on the entity fields and the relationships between entities.

Account-level Billing Instructions

BillingCenter uses account-level billing instructions for such items as invoice fees, recoverable deductible charges, subrogation charges, and similar items. BillingCenter also uses account-related billing instructions for account-level collateral.

The following table shows the account-level billing instruction subtypes:

Type	Subtype codes	Necessary information
General	AccountGeneral	<ul style="list-style-type: none">• Account• Charges
Collateral	CollateralBI SegregatedCollReqBI	<ul style="list-style-type: none">• Account• Charges• Collateral requirement

Policy-level Billing Instructions

BillingCenter uses policy-level billing instructions in conjunction with a specific payment plan and payment plan modifiers. This enables BillingCenter to schedule charges for different types of policy transactions differently. For example, BillingCenter can:

- Bill a charge related to a final audit immediately.
- Split the charge on a policy issuance between a down payment and a number of installments.

Use the NewRenewal subtype if the billing instruction references a policy that does not yet exist in BillingCenter at the time of the policy renewal.

The following table shows the policy-level billing instruction subtypes:

Type	Subtype codes	Necessary information
Base	General OffsetChargeBI OnsetChargeBI	<ul style="list-style-type: none"> Payment plan Payment plan modifiers Policy Policy period
New	Issuance NewRenewal Renewal Rewrite	<ul style="list-style-type: none"> Account Charges Payment plan Policy period (For subtype Rewrite, the policy period must be a unique number for the policy.) Producer codes
Existing	Audit Cancellation PolicyChange PremiumReportBI Reinstatement	<ul style="list-style-type: none"> Charges Policy period Payment plan Deposit requirement Payment plan modifiers Modification date Special handling
Premium Report	PremiumReportDueDate	<ul style="list-style-type: none"> Delinquency process Due date Policy period

Special Purpose Billing Instructions

The following billing instructions are used for special purposes in BillingCenter.

Type	Subtype codes	Necessary information
Special	ReversalBillingInstruction	<ul style="list-style-type: none"> None. This entity is a placeholder billing instruction used to tag a reversed charge. In the base configuration, the <code>displayName</code> field for this entity is left empty. As a result, reversed charges listed on the Charges screen have empty <code>Context</code> field values. To display a <code>Context</code> value for a reversed charge, define the entity's <code>displayName</code> field to the desired string and rebuild the data model. For additional information, see "Charge Reversals" on page 170.

Related Billing Instruction Documentation

The following list describes a number of additional topics related to billing and billing instructions:

Topic	See also
Charges and Invoices	<ul style="list-style-type: none">“Charge” on page 51“Invoice” on page 52“Charges” on page 167“Charge Invoicing Process” on page 181
Enabling integration between PolicyCenter and BillingCenter	<p>• “Policy Administration System Integration” on page 399</p> <p><small>“Enabling Integration between BillingCenter and PolicyCenter” on page 84 in the <i>Integration Guide</i></small></p> <p>For an overview of PolicyCenter integration with BillingCenter, see “Policy Administration System Integration” on page 399. See also the “Billing Integration” topic in the <i>PolicyCenter Integration Guide</i>, which is in the separate documentation set for PolicyCenter.</p>
Integrating BillingCenter with an external policy administration system	<ul style="list-style-type: none">“Billing Integration” in the <i>PolicyCenter Integration Guide</i>
Integrating PolicyCenter with an external billing system	<ul style="list-style-type: none"><i>PolicyCenter Application Guide</i>
Interfaces, how to define and use	<ul style="list-style-type: none">“Interfaces” on page 219 in the <i>Gosu Reference Guide</i>
Plugins, description and how to deploy	<ul style="list-style-type: none">“Plugin Overview” on page 135 in the <i>Integration Guide</i>
Web service overview	<ul style="list-style-type: none">“What are Web Services?” on page 27 in the <i>Integration Guide</i>

Charges and Charge Patterns

A *charge* is a cost associated with a policy or account transaction that BillingCenter must process and track as a unit. Most charges relate to a specific policy, but there are also account-level charges to bill accounts for activity that does not pertain to a specific policy.

This topic includes:

- “Charges” on page 167
- “Working with Charges” on page 168
- “Charge Patterns” on page 170
- “Working with Charge Patterns” on page 173

Charges

Charges can be created in BillingCenter in two ways:

- When a billing instruction for a cost, such as a premium, is received from a policy administration system.
- When a BillingCenter process creates a charge, such as a late fee.

A single billing instruction can contain multiple charges. BillingCenter posts each charge to the appropriate T-accounts using double entry bookkeeping principles, and divides each charge into one or more invoice items.

A cost must belong to a separate charge in the following cases:

- BillingCenter bills the cost differently from other costs.
For example, one amount is paid in full at the start of term and another is collected in installments.
- BillingCenter refunds the cost differently from other costs.
For example, on policy cancellation, one amount is refundable on a prorated basis, and another amount is not.
- BillingCenter handles commission for the cost differently from other costs.
For example, one cost earns commissions (such as premiums) and another does not (such as taxes).
- The costs need to be shown separately on invoices.
- The cost requires different handling by downstream systems.
For example, the cost requires different handling by the general ledger or reporting system.

Charge Examples

Policy Premium	The price of a policy. This single charge is usually broken into a deposit or down payment and installment items and placed on multiple invoices.
Fee	Charges such as installment fees, invoice fees, penalties for late payments or bad checks, and reinstatement fees.
Tax	Charges such as regulatory costs and sales tax that a carrier collects and passes through to tax or regulatory agencies.
Collateral	An asset or amount that the carrier requires a policyholder to deposit to secure coverage for a new or renewed policy. The insured can satisfy the collateral requirement with cash, letters of credit, or a combination of both. The collateral deposit is subject to seizure in the event of delinquency.

Charge Entity

The purpose of a charge entity is to connect a charge name with an amount and a T-account. Some important fields are described in the following table.

Note: Consult the BillingCenter *Data Dictionary* for complete details.

Charge Field Name	Meaning
Amount	Total amount of the charge. A positive amount represents money due to the carrier. A negative amount represents money the carrier owes. <ul style="list-style-type: none"> • A positive charge increases the amount due. Premium and fees are typical positive charges. These charges increase the amount owed by the T-account owner (policy or account). • A negative charge reduces the amount due. A reduction in premium is an example of a negative charge.
BillingInstruction	The billing instruction that contains the charge.
ChargeDate	The date the charge is sent to BillingCenter. The charge date is one of the reference dates available to be used as a basis for the invoice dates of the invoice items that result from the charge.
ChargePattern	The pattern that BillingCenter used to create this charge.
TAccountOwner	Pointer to the Account or PolicyPeriod (T-account owner) to which this charge belongs.

Working with Charges

BillingCenter receives an array of charges and other instructions from a PAS in a billing instruction. The charges are either listed individually or organized in charge groups of similar types. Based on their associated charge pattern, BillingCenter divides the charges into invoice items.

You can create new charges in BillingCenter by manually creating a new policy or renewing an existing policy, as follows.

Creating New Charges When Creating a New Policy Period

To add new charges to an existing policy, select **Account** from the **Account** tab and choose the **Add Policy** menu action. In Step 2 of the **New Policy Wizard**, click **Add** and enter the new charges. If needed, you can also specify a charge group for the new charge. Click **Finish** to complete process.

Creating a New Charge for a Policy Renewal

To add charges associated with a policy renewal, select a **Policy** from the **Policies** tab and choose the **Renew Policy** menu action. In Step 2 of the **Renew Policy Wizard**, click **Add**, and enter the new charges. If needed, you can also specify a charge group for the new charge. Click **Finish** to complete process.

Viewing Charges

To view a list of charges for either the account or the policy:

- Select an account and then from **Account → Charges**, see a list of charges on the **Charges** screen.
- Select a policy and then from **Policy → Charges**, see a list of charges on the **Charges** screen.

Changing the Default Payer

The default payer of a charge can be modified. For details, see “Manually Reassigning a Payer” on page 211.

Charge Groups

BillingCenter uses charge groups as a way to identify and group related charges. Charge groups are implemented as free-form text fields on the **Charge** entity. BillingCenter creates the charge group at the same time it creates the charge. The benefits of using charge groups are:

- Invoices are easier to understand
- Related charges can be identified

Charge Group Example

A company has a large policy that covers multiple vehicles at three locations. The policy administration system sends BillingCenter a billing instruction that groups all vehicles by location. The premiums for each vehicle are grouped according to location (A, B, and C). After BillingCenter receives the billing instruction from the policy administration system, it divides the charges for each location into installments that later appear as invoice items on an invoice. If you select a billing plan for the account that aggregates invoice charges by charge groups, invoice items are grouped by charge groups on the **Account → Invoices** screen. In this example the charge groups are A, B, and C.

Programmatically Implementing Charge Groups

The policy administration system can specify a charge group in the billing instruction. Alternatively, you can also write a **BillingInstruction** preupdate rule to assign a charge to a charge group.

Manually Implementing Charge Groups

From **Account → Actions → Add Policy → New Policy Wizard**

1. Enter the required policy information.
2. Click **Next**.
3. Click **Add**.
4. Click a charge type in the **Type** list, such as **Premium**.
5. Enter the **Charge Group**, for example a string field such as **A-1**.
6. (Optional) Enter the **Payer**.
7. Enter the premium **Amount**.
8. Click **Finish** to complete the process.

Specify Charge Groups as the Aggregation Method

To specify that BillingCenter aggregate charges for a policy by charge group:

1. From **Administration → Billing Plan**, choose the plan associated with the policy.

Make your changes to the billing plan before you use it. You cannot modify this property on a billing plan that is already in use.

2. Click the **Edit** button.
3. From **Aggregation → Line Items Show**, choose **Charge Group** from the drop down menu.
4. Click **Update** to finalize the change.

Charge Reversals

As its name suggests, a charge reversal reverses a charge. A charge reversal is similar to a write-off in that both transactions reverse a charge. A write-off reverses a charge that cannot or will not be collected. A charge reversal, however, reverses a charge made in error or is reversed as a convenience to the customer, such as reversing a late payment fee.

Any type of charge can be reversed, except pro rata charges. For example, because premium charges are usually pro rata, such charges cannot be reversed. See “Charge Pattern Subtypes” on page 171 for details.

Reverse a charge manually

Select **Account → Actions → New Transaction → Charge Reversal** to display the **New Charge Reversal Wizard**.

1. Specify search criteria to display a list of charges that can be reversed. Search criteria can include the charge’s type, its minimum and maximum amounts, the charge date, or its policy. After specifying the criteria, select **Search** to display the list of matching charges.
2. Select the charge to reverse by clicking its **Select** button.
3. Optionally, select a **Reversal Reason** from the drop down list.
4. Select **Finish**. The reversal transaction is performed by processing a **Reversal Billing Instruction**.

Charge Patterns

A *charge pattern* is a template that specifies the charge type and determines how BillingCenter handles the charge. Every charge in BillingCenter has an associated charge pattern.

BillingCenter can recognize a charge as an asset, expense, liability, or revenue. The charge pattern determines the charge accounting treatment, and into which T-accounts BillingCenter first enters the charge.

Each charge pattern has a predefined type, category, T-account owner, priority, and invoicing approach. The BillingCenter base application has several predefined charge patterns. You can also create new charge patterns as required.

Purpose of Charge Patterns

Along with a billing plan and a payment plan, charge patterns determine how the charge is handled by BillingCenter.

A charge pattern determines:

- **Invoicing approach** – BillingCenter can invoice the charge as a single payment or break the charge into a down payment and one or more installment payments. The charge pattern, along with the payment plan, determines how BillingCenter invoices the charge.
- **Accounting treatment** – BillingCenter can treat the charge as asset, expense, liability, or revenue. The charge pattern controls the accounts into which the charge will be first entered, and how earnings are recognized.
- **Payment distribution priority** – During payment distribution, if there are not enough funds for all eligible items, the due date is used to decide which items to pay first. If multiple items have the same due date, the charge pattern priority is used to decide which items are paid first.

- Equity dating treatment** – The charge pattern controls whether the charge is used in equity dating. Equity dating enables the carrier to verify that the insured has made the required payments before providing them with services. For more information see “Equity Dating” on page 325.

Charge Pattern Subtypes

The base product includes the following five charge pattern subtypes. If you create a new charge pattern, it must use one of these subtypes.

Type	Description	Charge Examples
Immediate	Charges that do not recur and can immediately be recognized as revenue.	Late fees, non-sufficient fund (NSF) fees.
Pro rata	Charges that are initially entered as unearned and then become earned proportionately over time. As time passes and the revenue is earned, the revenue account increases and the liability account decreases. The most common example of this type of charge is policy premium. A policy period is the only T-account owner type that can have a pro rata charge.	Premium for a policy.
Pass-through	Pass-through charges are never recognized as revenue. They are funds that flow through the carrier's accounting system. Examples are taxes and regulatory fees, which the carrier first collects, then sends to the tax or regulatory agency. Pass-through charges are entered initially as a liability. This type of charge becomes an expense when paid by the carrier.	Taxes, regulatory fees.
Recapture	A means of getting money back from an insured. For charged and billed events, recapture charges operate in much the same way as pass-through charges. After recapture charges are paid, however, the liability ends up in the relevant Unapplied rather than the Reserve, which has the effect of recouping the deficit from the insured.	After the carrier makes an incorrect disbursement, they request that the insured return the money.
Collateral	Non-recurring, non-revenue charges held as collateral. Collateral funds are held until the collateral requirements for the policy period are satisfied, sometimes indefinitely. This charge type includes fulfillment, replenishment, and requirement collateral items.	Deposit for workers' compensation policy.

Charge Pattern Subtype Determines How Earnings are Recognized

Charge Pattern Subtype	Initial Debit to T-account	Initial Credit to T-account	Description
CollateralCharge			Never recognized as revenue.
ImmediateCharge	<code>chargeNameUnbilled (A)</code>	<code>chargeNameRevenue (R)</code>	Recognized at once as revenue.
PassThroughCharge	<code>chargeNameUnbilled (A)</code> <code>chargeNameExpense (E)</code>	<code>chargeNameRevenue (R)</code> <code>chargeNameReserve (L)</code>	Initially the same as an Immediate charge; no revenue recognized because of the offsets from the second pair of T-accounts shown.
ProRataCharge	<code>chargeNameUnbilled (A)</code>	<code>chargeNameUnearned (L)</code>	Earnings are recognized proportionately over time. When an earning period has passed and the ChargeProRataTx batch process runs, funds move from the unearned T-account to the revenue T-account.

Charge Pattern Subtype	Initial Debit to T-account	Initial Credit to T-account	Description
RecaptureCharge	<i>chargeNameUnbilled (A) chargeNameExpense (E)</i>	<i>chargeNameRevenue(R) chargeNameReserve(L)</i>	After the recapture charge is paid, the following happens with other ChargePaid transactions: <ul style="list-style-type: none">• Owner's Account Reserve T-account is decreased• Owner's Unapplied fund T-account is increased• Payer's Unapplied fund T-account is decreased• Owner's Account Due T-account is decreased
T-account Types:			
(A) – Asset (E) – Expense (L) – Liability (R) – Revenue			

Charge Pattern T-account Owners

Each charge pattern has a default T-account owner. The T-account owner is the entity that owns the T-account and associated line items. Possible T-account owners include **PolicyPeriod**, **Account**, **Collateral**, and **CollateralRequirement**. To view the T-account owner associated with a specific charge pattern, select **Administration** → **Charge Patterns**, and then click the charge pattern of interest.

Invoicing Approach

The charge pattern's **Invoicing Approach** tells the payment plan how the related charge will be invoiced. It is a typekey with four possible values:

- **Down Payment and Installments** – The charge is split into a deposit item and one or more installments. The event date of the resulting down payment invoice item is calculated based on the **Down Payment** fields on the payment plan of the charge's policy period. The event date of the resulting installment invoice items are calculated based on the **First Installment** field on the payment plan of the charge's policy period. The down payment invoice item is assigned the type **deposit**. The remaining invoice items are of the type **installment**. This option is available only for charge patterns with **T-account Owner** set to **Policy Period**.
- **One-time Charge** – The charge is represented by a single invoice item, with the date of the invoice item set by the date of the charge. Its type is set to **onetime**. This is the only kind of **Invoicing Approach** that allows a T-account owner other than **Policy Period**.
- **Single Down Payment** – The charge is represented by a single invoice item. The event date of the invoice item is calculated based on the **Down Payment** fields on the payment plan of the charge's policy period. The invoice item is assigned the type **deposit**. This option is available only for charge patterns with **T-account Owner** set to **Policy Period**.
- **Single Installment** – The charge is represented by a single invoice item. The event date of the resulting invoice item is calculated based on the **First Installment** fields on the payment plan of the charge's policy period. The invoice item is assigned the type **installment**. This option is available only for charge patterns with **T-account Owner** set to **Policy Period**.

Charge Pattern Payment Priorities

The *payment priority* of a charge (high, medium or low) affects how funds are distributed among invoice items when a payment is not sufficient to satisfy all of them. BillingCenter uses this field to determine the order of payment distribution. If all invoice items on a specific invoice have the same event date, BillingCenter pays those items in order of priority. Items with high priority are paid first, then medium, and finally low priority items. See “Payment and Distribution” on page 283 for details.

Charge Pattern Include in Equity Dating

The charge pattern `IncludedInEquityDating` field determines whether or not to include a charge associated with the charge pattern in equity dating.

Equity dating is a process that allows carriers to track and monitor surplus or deficit payments collected from insureds. With policies that have premium installment payments, equity is earned over time. Equity is positive if the insured has paid for more services than the carrier has provided to date.

You can monitor the difference between payment received and services provided on a daily basis by tracking the date the insured paid through to (**Paid Through Date**.) This calculated date is available as a trigger for delinquency events. You can configure the BillingCenter cancellation process so that the process can complete and the policy can be canceled, if necessary, before the **Paid Through Date**.

For more information see “Equity Dating” on page 325.

Working with Charge Patterns

Users and administrators can view, create, edit, and delete (retire) Charge Patterns.

Viewing charge patterns

Select **Charge Pattern** on the **Administration** tab.

Creating a new charge pattern

From **Administration** → **Actions** → **New Charge Pattern**

1. Select a subtype (Immediate, Pro rata, Pass-through, or Recapture)
2. Enter a **Charge Code** and **Charge Name**
3. Select a **Category**, **T-Account Owner**, **Invoicing Approach**, and **Priority** fields.
4. Select a **Frequency** if you are creating a pro rata charge pattern.
5. Set the **Include in Equity Dating** flag.

Editing a charge pattern

From **Administration** → **Charge Patterns**

1. Select the charge pattern you want to edit.
2. Click **Edit**.
3. Edit the properties of the charge pattern.
4. Click **Update** to save your changes.

part VI

BillingCenter Charge Invoicing

Charge Invoicing Overview

The charge invoicing process takes charges from a billing instruction, divides them into invoice items, and allocates the invoice items to invoices that are sent to policyholders or producers/agents.

This topic includes:

- “Charge Invoicing Definition” on page 177
- “Charge Invoicing Terminology” on page 177

Charge Invoicing Definition

Charge invoicing is the process of taking a charge, breaking it into invoice items, and placing the items on either direct bill invoices or agency bill statements. Charge invoicing happens under two circumstances:

- A billing instruction is received
- A payment plan is changed

Charge invoicing functionality also plays a part in other areas such as:

- Charge holds
- Assignment of items
- Policy transfers

Charge Invoicing Terminology

Understanding the terminology is essential to understanding the charge invoicing process. The following graphics provide examples of key charge invoicing terms.

To view the invoices for an account, go to the **Account** tab and click **Invoices**. The following graphic shows a set of invoices for an account:

The screenshot shows the Guidewire BillingCenter interface. The top navigation bar includes links for Desktop, Account (selected), Policy, Producer, Search, and a Go to (Alt+/) button. The main title is "Account #Kid-88-Dress : Kid-88-Dress Nov 16, 2013".

The left sidebar contains a list of navigation links under the "Invoices" category, which is currently selected. Other categories include Summary, Contacts, Funds Tracking, Payments, Charges, Disbursements, Transactions, Collateral, Policies, History, Evaluation, and various document-related links.

The main content area is titled "Invoices". It features a table with columns: Invoice Date, Due Date, Invoice Number, Invoice Stream, Status, Amount, and Due. The table shows multiple entries, each with a checkbox in the first column. A red box highlights the first row, with numbers 2, 3, and 4 overlaid on the "Invoice Date", "Due Date", and "Invoice Stream" columns respectively. The total amount for the table is \$1,200.00.

A detailed view of the first invoice (12/15/2013) is shown in a modal window. This view includes sections for "Invoice Information" (Statement Date: 12/15/2013, Payment Due: 12/22/2013, Status: Planned) and "Statement (As of invoice date)" (Prior Amount Due, Total Charges, Total Amount Due). The "Invoice Charges" section shows a table with columns: Installment #, Event Date, Policy, Category, Context, Description, Product, Amount, and Paid Amount. The total amount for these charges is \$120.00. A red box surrounds this entire modal window, with a red number 1 placed above it.

The definitions below describe the highlighted areas in the graphic.

- 1. Invoice** – An itemized bill requesting payment for one or more charges for a policy.
- 2. Invoice Date** – The billing date of the invoice. It is the date the invoice is sent to the payer. Other terms for invoice date are statement date and bill date.
- 3. Due date** – The last day the insured can pay the invoice before the invoice becomes past due. The BillingCenter delinquency process handles past due invoices.
- 4. Invoice stream** – An invoice stream is a container for a set of invoices that occur with a given frequency. All invoices must be contained within an invoice stream.

Note: BillingCenter can add invoices with *off sequence* dates to an invoice stream. These are called ad hoc invoices.

To view a set of charges for a policy, go to the **Policy** tab and click **Charges**. The following graphic shows a set of charges for a policy and the invoice items for the premium charge:

Charges

	Date	Default Payer	Charge Type	Context	Charge Group	Hold Status	Policy	Amount	Primary
Actions	11/16/2013	Kid-88-Dress	Premium	Policy Issuan...		Not Held	PolicyNumber_JRUPLQ9...	\$1,200...	
Actions	11/16/2013	Kid-88-Dress	Taxes	Policy Change		Not Held	PolicyNumber_JRUPLQ9...	\$156.00	

Invoice Items

	Installment #	Event Date	Statement Date	Invoice Due Date	Owner	Payer	Context	Type	Amount	Paid A...
1	3	11/16/2013	12/15/2013 (Planned)	12/22/2013	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Down Payme...	\$120.00	
2	1	12/16/2013	01/15/2014 (Planned)	01/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.19	
	2	01/16/2014	02/15/2014 (Planned)	02/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.19	
	3	02/16/2014	03/15/2014 (Planned)	03/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	4	03/16/2014	04/15/2014 (Planned)	04/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	5	04/16/2014	05/15/2014 (Planned)	05/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	6	05/16/2014	06/15/2014 (Planned)	06/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	7	06/16/2014	07/15/2014 (Planned)	07/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	8	07/16/2014	08/15/2014 (Planned)	08/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	9	08/16/2014	09/15/2014 (Planned)	09/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	10	09/16/2014	10/15/2014 (Planned)	10/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
	11	10/16/2014	11/15/2014 (Planned)	11/22/2014	Kid-88-Dress	Kid-88-Dress	Policy Issuance	Installment	\$98.18	
		Total							\$1,200.00	

The definitions below describe the highlighted areas in the graphic.

- 1. A charge** is the fundamental unit that the policy administration system sends to BillingCenter in a billing instruction. BillingCenter translates each charge into invoice items on an invoice. Each charge includes the amount to be invoiced. Examples of charges include premium, taxes, collateral, and various fees.
- 2. An invoice item** is the line item that represents all or part of a charge. In the graphic, the premium charge (which is the currently selected charge) is divided into twelve invoice items. The first invoice item is the down payment. The remaining eleven invoice items are the installments.
- 3. An event date** (also called the *item event date*) is the earliest date that an invoice item can be billed. When a charge is divided into invoice items, each invoice item has an event date. The invoice item is placed on the first available planned invoice that occurs on or after this date.

Charge Invoicing Dates

When a charge is divided into invoice items, BillingCenter considers several dates during charge invoicing. They are described in the following table:

Date	Description
Item event date	The date the item becomes billable.
Due date	The last date an invoice can be paid before it becomes past due. The due date equals the invoice date plus any lead time.
Invoice date	The date an invoice is billed. This is also referred to as the billing date or the statement date.
Policy effective date	The date the policy period takes effect.
Charge effective date	The date the coverage or coverage reduction specified by the charge takes effect.
Charge date	The date BillingCenter receives the billing instruction containing the charge.

Charge Invoicing Process

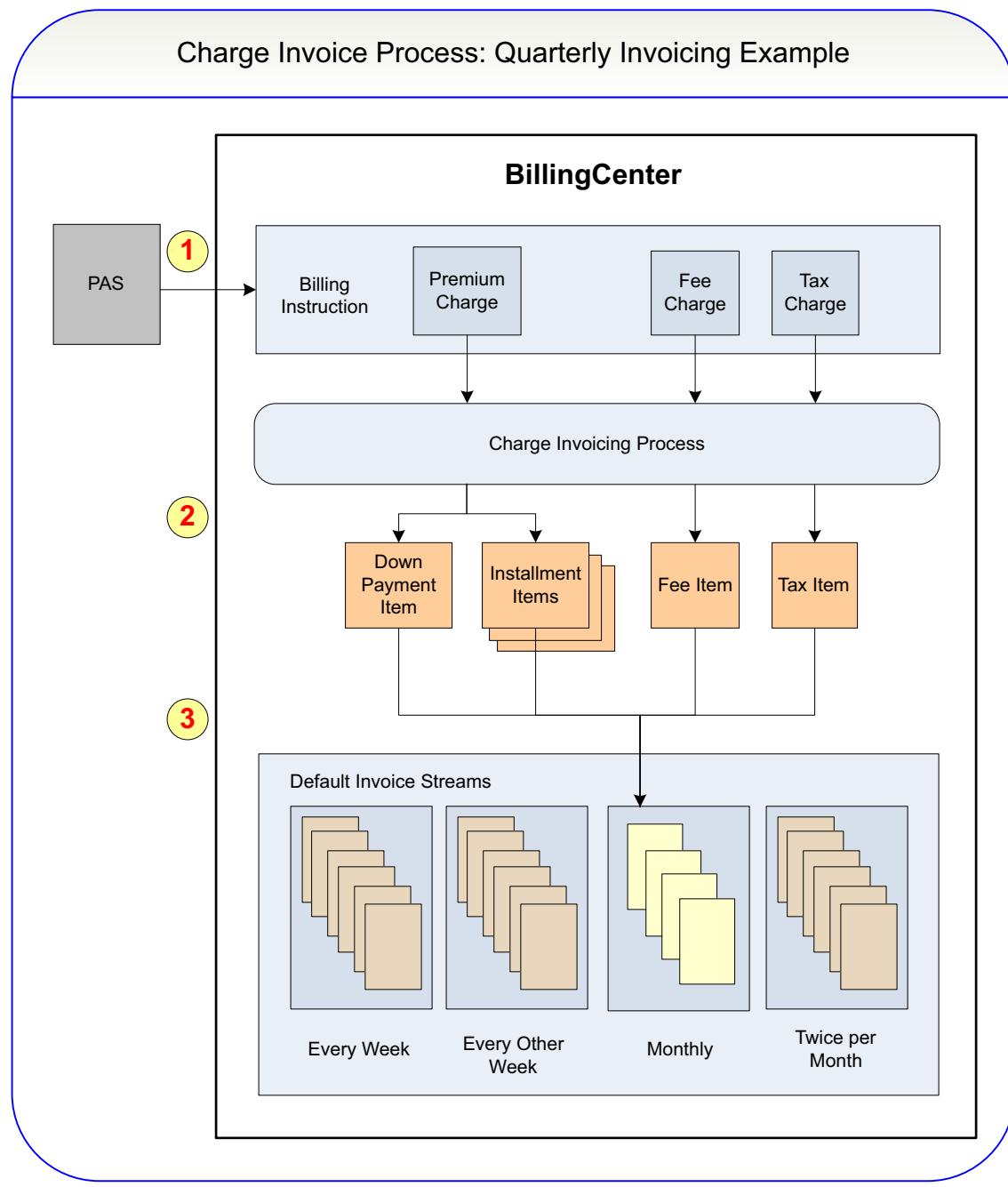
This topic explains the BillingCenter components and settings that affect the charge invoicing process and describes how the underlying process works. For information about configuring the charge invoicing process, refer to “Configuring the Charge Invoicing Process” on page 423 in the *Configuration Guide*.

This topic includes:

- “Charge Invoicing Process Overview” on page 182
- “Charge Invoicing Input” on page 183
- “Charge Invoicing Steps” on page 184

Charge Invoicing Process Overview

The following diagram presents a high level view of how the charge invoicing process works.



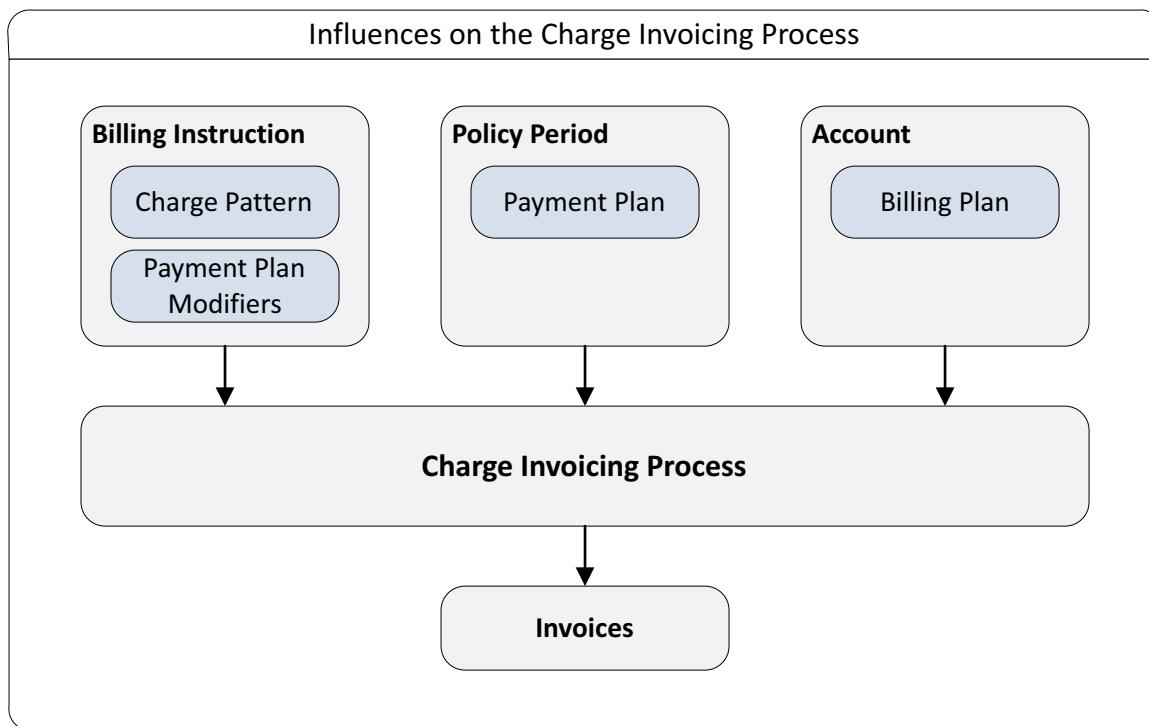
In the diagram above, the numbers point out the following actions:

1. The policy administration system (PAS) sends a billing instruction to BillingCenter.

2. The charge invoicing process breaks the charges in the billing instruction into invoice items. Each charge is associated with a charge pattern, which has an invoicing approach. For example, the Premium charge pattern has an invoicing approach of **Down Payment and Installments**. So the premium charge is split into a down payment item and three installment items. The payment plan associated with the policy determines the down payment percentage and maximum number of installments. The Taxes charge pattern has an invoicing approach of **One-time Charge**. So the tax charge becomes one invoice item. Similarly, the Fees charge pattern has an invoicing approach of **One-time Charge**. The fee charge also becomes one invoice item.
3. Charge invoicing also places invoice items on invoices. BillingCenter associates invoices with the appropriate invoice stream based on the payment interval specified in the payment plan. In the example, the payment interval is **Quarterly**, so the **Monthly** invoice stream is used and only four invoices are created.

Charge Invoicing Input

BillingCenter uses input from several sources to convert charges into invoice items. The following graphic illustrates the sources of input to the charge invoicing process:



The following table briefly describes each input into the charge invoicing process.

Input Source	Description
Billing Instruction	Charges are sent to BillingCenter by means of a billing instruction. The charge date is the date of the billing instruction.
Charge Pattern	Every charge is associated with a single charge pattern. The Invoicing Approach on the charge pattern determines how a charge will be invoiced.

Input Source	Description
Payment Plan Modifiers	Payment plan modifiers provide the mechanism for dynamically implementing special invoicing requirements for a billing instruction. If the billing instruction includes one or more payment plan modifiers, BillingCenter makes a copy of the payment plan and applies the modifiers to the copy. Each modifier updates one or more fields on the copied plan. The original payment plan remains unchanged. For additional information, see "Payment Plan Modifiers" on page 119.
Policy Period	The charges in the billing instruction are for a policy period. Every policy period has an effective date and an expiration date. These dates define an interval of time during which invoices can be billed (that is, sent to the payer) and made due.
Payment Plan	<p>The payment plan is associated with the policy period. It identifies how the charges are distributed across invoices. It includes information such as the percent expected for down payment, maximum number of installments, and the time period in which first installment is billable. The Payment Interval in the payment plan determines the invoice stream for the invoices. The Monthly invoice stream is used for several payment intervals including Monthly, Quarterly, and Every Six Months.</p> <p>For agency bill, BillingCenter always uses the Monthly payment interval. All the other payment intervals are for direct bill only.</p> <p>Payment plan overrides allow you to implement custom requirements that are specific to the billing instruction type. For example, you can suppress the down payment for existing policy period billing instructions.</p>
Account	The Billing Info fields on the account's Summary screen specify details that BillingCenter uses to determine invoice dates.
Billing Plan	The account's billing plan identifies account-level information on how to bill the account. It contains billing information that does not vary from policy to policy. For example, it can specify the fee for payment reversals. It also specifies lead time (the amount of time between sending an invoice and expecting payment).

Charge Invoicing Steps

Charge invoicing of a pro rata charge is a complex process. This section describes the steps BillingCenter goes through when processing a pro rata charge.

Charge Invoicing Steps for Pro Rata Charges

The following steps summarize the charge invoicing process for a pro rata charge, which is a charge divided into multiple invoice items, such as premium.

1. Identify the blackout window.
2. Identify the last possible invoice.
3. Based on blackout window and last possible invoice, create invoice items.
4. Create invoices.
5. Place item on invoices.

The following sections provide details about each of the charge invoicing steps.

Identifying the Blackout Window

The payment plan can specify a period at the end of a policy term when no invoices can either be billed or become due. This is referred to as the *blackout window*. If necessary, BillingCenter reduces the number of invoices to accommodate this blackout window. The inputs that determine the blackout window are:

- Expiration date on the policy period
- Two related fields on the payment plan: **Make last invoice** and **by # days before policy expiration date**

The default behavior of the base application is to reduce the number of invoices as necessary to accommodate the blackout window. There is no coverage on the expiration day. Therefore, the blackout window calculation counts backwards from the day *before* the policy expiration date. Also, the bill date can fall on the first day of the blackout period.

Blackout Window Examples

Assume the following:

- Policy period expiration date: 4/9/2011
- **Make last invoice:** Billed
- **by # days before policy expiration date:** 0

BillingCenter calculates that the last invoice must be *billed* on or before 4/8/2012. The calculation is the expiration date minus 1 (because there is no coverage on the expiration day) minus 0 days.

Take a second example. Assume the following:

- Policy period expiration date: 4/9/2011
- **Make last invoice:** Due
- **by # days before policy expiration date:** 30

BillingCenter calculates that the last invoice must be *due* on or before 3/8/2012. The calculation is the expiration date minus 1 day minus 30 days.

Identifying the Last Possible Invoice

In order to understand how BillingCenter determines the last possible invoice, you need to know how invoice dates are determined.

Establishing Invoice Dates

The **Billing Info** on the account is used to determine the invoice dates. The following table shows which account fields are used in conjunction with the **Payment Interval** in the payment plan:

Payment Interval on Payment Plan	Billing Info Fields on Account	Example	Invoice Stream
Every Week	Weekly - Day of Week	Friday	Weekly
Every Other Week	Every Other Week- Anchor Date	Dec. 4, 2010	Every Other Week
Twice Per Month	Twice a Month - First day of the month Twice a Month - Second day of the month	15 and 31	Twice Per Month
Monthly Every Other Month Quarterly Every Four Months Every Six Months Every Year Every Other Year	Monthly - Day of Month	31	Monthly

Note: 31 is used to indicate the last day of the month. This date is automatically adjusted for the number of days in the month. In the case of February, 31 can mean 28 February or 29 February for leap years.

Bill Date Versus Due Date Invoicing

You can direct BillingCenter to use either the bill date or the due date as the basis for establishing dates for invoices. The **Fix Bill Date/Due Date** field on the account controls which date BillingCenter uses.

- If **Fix Bill Date/Due Date** is set to **Bill Date** for the account, then BillingCenter sets the bill date for each invoice and calculates the due date. Due dates are calculated by adding the relevant lead time specified on the billing plan to the bill date. In other words, $\text{Due Date} = \text{Bill Date} + \text{Lead Time}$
- If **Fix Bill Date/Due Date** is set to **Due Date** for the account, then BillingCenter sets the due date for each invoice and calculates the bill date. Bill dates are calculated by subtracting the relevant lead time specified on the billing plan from the due date. In other words, $\text{Bill Date} = \text{Due Date} - \text{Lead Time}$.

Two Lead Times on Billing Plan

Lead time is the number of days that must be allowed between the invoice bill date and the due date. The account's billing plan has two lead times:

- **Lead Time** is used in cases where the payment instrument is **Responsive** (that is, the carrier bills the account directly and the account must respond).
- **Non responsive lead time** applies where the payment instrument for the account is credit card, EFT, ACH, or wire. In other words, **Non responsive lead time** applies in cases where the payment is automatic with no response required of the customer.

The lead time that is used depends on the account's **Payment Instrument**.

Creating Invoice Items

At this point, BillingCenter knows the size of the invoicing period. It also knows the frequency of invoices (from the **Payment Interval** on the payment plan), so it can calculate the number of invoices that can fit in the invoicing period. BillingCenter can now divide the charge into the correct number of invoice items and assign event dates to each item.

Creating the Down Payment Item

Assume this example: On 4/15/2014, BillingCenter receives a new policy billing instruction from the PAS.

- The premium charge is \$1,100.
- The policy effective date is 4/15/2014.
- The Monthly 10 payment plan shown below is used. The following numbers correspond to the highlighted areas in the plan:
 - The down payment percentage is 10.
 - The down payment can be invoiced 0 days after the charge date. See “Invoicing One-time Charges” on page 189 for details on the **Invoiced** and **days after** fields.

Payment Plan		Invoicing Window	
Name	Monthly 10	Payment Interval	Monthly
Description	10% down, 11 installments	Item Placement Cutoff	Invoice Bill Date
Effective Date	09/16/2013	Date	
Expiration Date		Make last invoice	Billed
Is Reporting?	No	by # days before policy	0
Currency	USD	expiration date	
Invoicing Treatment Details		Invoicing Fees	
Down Payment (%)	10	Fee Amount	
Max # Installments	11	Skip Fee for Down Payments	Yes
		Down Payment	
		Invoiced	0
		days after	Charge Date
		First Installment	
		Invoiced	0
		days after	One Interval After Policy Effective Date
		One-Time Charges (Full Pay Items)	
		Invoiced	0
		days after	One Interval After Policy Effective Date

Creating Installment Items

Various settings on the payment plan control the creation of installment items. The example continues with another visit to the same payment plan:

Payment Plan	Invoicing Window
Name: Monthly 10	Payment Interval: Monthly 2
Description: 10% down, 11 installments	Item Placement Cutoff Date: Invoice Bill Date 3
Effective Date: 04/15/2014	Date
Expiration Date:	Make last invoice Billed
Is Reporting?: No	by # days before policy expiration date 0
Currency: USD	Invoicing Fees
Invoicing Treatment Details	Fee Amount
Down Payment (%): 10	Skip Fee for Down Payments Yes
Max # Installments 1	Down Payment
11	Invoiced 0 days after Charge Date
	First Installment 4
	Invoiced 0 days after One Interval After Policy Effective Date
	One-Time Charges (Full Pay Items)
	Invoiced 0 days after One Interval After Policy Effective Date

The following numbers correspond to the highlighted areas in the graphic:

1. The maximum number of installments is 11. This number does not include the down payment item.
2. The **Payment Interval** is *Monthly*.
3. The **Item Placement Cutoff Date** is *Invoice Bill Date*. The meaning of this field is described later in this topic.
4. The first installment can be invoiced (billed) 0 days after *One Interval After Policy Effective Date*.

Determining Number of Installments and Their Event Dates

BillingCenter starts with the first installment date. In our example, the event date of the first installment is *One Interval After Policy Effective Date*. The **Payment Interval** is *Monthly*. The policy effective date is 4/15/2014. So the item event date is one month after the policy effective date on 5/15/2014. BillingCenter assigns the event dates for the remaining installments based on the first installment's event date. So the second installment item has an event date of 6/15/2014, and so on.

To determine the number of installments, BillingCenter needs to know the last possible invoice that the final installment item can be placed on. The **Item Placement Cutoff Date** specifies how the item event date is used in item placement.

Using Item Event Dates to Calculate Item Placements

When BillingCenter assigns invoice items to invoices, the **Item Placement Cutoff Date** determines whether to compare the item's event date to the invoice's *bill date* or the invoice's *due date*.

- In our example, the **Item Placement Cutoff Date** is the **Invoice Bill Date**. This means each invoice item will be placed on the earliest invoice with a *bill date* that is on or after the invoice item's event date.
- If the **Item Placement Cutoff Date** is the **Invoice Due Date**, then BillingCenter looks at the due date of the invoice. This means the invoice item will be placed on the earliest invoice with a *due date* that is on or after the invoice item's event date.

Creating the Installment Items

BillingCenter can now create the installment items.

1. The total amount of installments equals the charge amount minus the down payment amount.
2. The amount of each installment equals the total installment amount divided by the number of installments.
3. If there are any small amounts remaining, they are distributed based on the `ProRataCalculationRemainderTreatment` configuration parameter.

Creating Invoices

Next, BillingCenter creates invoices for the down payment and installments. For each invoice item, BillingCenter creates the first possible planned invoice the item can be placed on. Factors that influence the placement include:

- The item's event date
- **Item Placement Cutoff Date** on the payment plan
- **Fix Bill Date/Due Date** on the account

Note: If an invoice already exists on the same date, BillingCenter will use that invoice instead of creating a new invoice.

Placing Items on Invoices

BillingCenter places the items on their corresponding invoices.

Invoicing One-time Charges

Charge invoicing of one-time charges is a simple task. Each one-time charge becomes a single invoice item. Two fields in the **One-time Charges (Full Pay Items)** area of the payment plan associated with the policy period control when all one-time invoice items are invoiced:

- The **Invoiced** field accepts a number of days. The number can be negative, positive, or zero.
- The **days after** field provides a list of choices, which are described in the following table:

days after Selection	Description
Charge Date	The date BillingCenter receives the billing instruction that contains the charge.
Charge Effective Date	For a new policy, this date is the same as the policy period's effective date. For an existing policy, this is the same as the billing instruction's modification date. The modification date is the effective date of a billing instruction for an existing policy (such as a policy change or a cancellation).
One Interval After Charge Effective Date	The interval is based on the Payment Interval in the payment plan. For example, if the Payment Interval is Monthly , this selection means one month after the policy effective date.
Policy Effective Date	The date the policy takes effect.
One Interval After Policy Effective Date	The interval is based on the Payment Interval in the payment plan. For example, if the Payment Interval is Monthly , this selection means one month after the charge effective date.

Invoicing One-time Charges Examples

The following table provides some examples with explanations:

Payment plan field values	Meaning
Invoiced -25 days after Policy Effective Date	The earliest date that BillingCenter can invoice the charge is 25 days before the policy effective date. Typically, these values ensure that the invoice item for the charge is placed on the first planned invoice.
Invoiced 0 days after Charge Effective Date	The earliest date that BillingCenter can invoice the charge is on the charge effective date.
Invoiced 0 days after One Interval After Policy Effective Date	If the interval is Monthly , the earliest date that BillingCenter can invoice the charge is one <i>month</i> after the policy effective date.

Note: The previous two tables also apply to invoicing down payments and first installments.

Credit Handling

Credit is an amount the carrier owes the policyholder. Credits for return premium are the most common source of credit, but other sources exist.

This topic describes how credit can be allocated in BillingCenter to pay positive, unpaid invoice items.

This topic includes:

- “Introduction to Return Premium Plans” on page 191
- “Steps in the Credit Handling Process” on page 192
- “Credit Allocation Examples” on page 193
- “Return Premium Plan Properties” on page 196

Introduction to Return Premium Plans

A return premium plan specifies how to allocate a policy credit to pay positive, unpaid invoice items. Each policy period has a return premium plan associated with it.

Note: Return premium plans affect policy credits only. Credits associated with collateral or an account, such as the cancellation of an account fee, do not use the return premium plan to allocate the credit.

A credit can be allocated in various manners. For example, invoice items can be paid based on their event date, with either more recent or later items being paid first. The base configuration supports allocation methods based on a first-to-last event date, last-to-first event date, and proportional allocation.

The allocation method used for a particular credit is based on the context that created the credit. For example, credits created during the processing of a policy issuance can be allocated proportionally, while credits resulting from a policy cancellation can be allocated last-to-first.

The return premium plan also specifies other properties related to credit allocation, including when to allocate the credit and where to place any remaining credit after paying all invoice items.

The base configuration includes a single return premium plan called `Default Return Premium Plan`. The settings of the `Default` plan can be modified. Also, additional plans can be cloned and modified from the `Default` plan. However, in most installations, a single return premium plan is used for all policy periods.

At any point in time, BillingCenter has exactly one “active” return premium plan. The active plan is the plan that meets the following requirements:

- The plan’s effective date is on or before the current date.
- The plan’s expiration date is after the current date. If no expiration date is specified, the plan never expires.
- If multiple plans meet the effective and expiration date requirements, then the plan with the highest priority is selected as the active plan. Plan priority is determined by the order of the plans listed in the [Return Premium Plans](#) screen.

By changing a plan’s priority and effective and expiration dates, a different plan can be made active at any time.

Whenever a new policy is issued, the active plan is automatically associated to the new policy period. The return premium plan remains associated with the policy period for the period’s entire life. The plan’s settings can be modified, but a different plan cannot be assigned to the policy period. When a return premium plan’s settings are modified, all policy periods associated with the plan use the updated settings immediately. If the policy is subsequently renewed, the plan remains associated with the new period, regardless of the active plan at the time of renewal.

Making a different plan the active plan does not affect existing policy periods. The return premium plan associated with existing periods remains unchanged. However, the subsequent issuance of a new policy will associate its policy period with the new active plan.

Steps in the Credit Handling Process

BillingCenter performs the following steps to allocate credit to pay positive invoice items. Each step is described in more detail in subsequent sections.

1. **Charge Slicing** – Divide the credit into negative invoice items and place each item on an appropriate invoice.
2. **Select Eligible Invoice Items** – Identify the positive invoice items eligible to be paid by the credit.
3. **Order Invoice Items** – Order the invoice items by event date. For invoice items that share the same event date, order them secondarily based on their charge pattern priority.
4. **Allocate the Credit** – Use the credit to pay eligible invoice items until all items are paid or all credit is allocated.
5. **Process Any Remaining Credit** – Any credit that remains after paying all eligible invoice items is handled according to the return premium plan.

Charge Slicing

The credit charge is divided into negative invoice items with an event date. Each item is placed on an appropriate invoice. The credit is sliced based on the policy’s payment plan. Overrides defined in the payment plan are applied to the credit in the same manner as they would be applied to a positive charge.

Select Eligible Invoice Items

The credit handling process filters invoice items to identify and select items eligible to be paid by a credit allocation.

Two levels of filter criteria are applied. The first level filter applies the criteria specified by the **Positive Item Qualifier** property of the return premium plan. The property’s field values are described in “Positive Item Qualifier” on page 196.

Invoice items meeting the filter criteria proceed to the second level of filtering which applies the following criteria.

- The item is positive
- The item is not fully paid
- The item's payer is the same as the payer of the credit
- The item is on a direct bill invoice
- The item does not have a hold

Invoice items that meet both the first-level and second-level filter criteria are considered eligible to receive credit allocation.

Order Invoice Items

BillingCenter orders the eligible invoice items by event date. This ordering is used by all the allocation methods.

Some allocation methods require additional ordering for invoice items that share the same event date. For items that share the same event date, each item is further ordered based on its charge pattern priority.

Allocate the Credit

The credit is allocated among the eligible invoice items according to the credit's context, such as **Policy Issuance** or **Renewal**. Each context has a handling scheme associated with it. The handling scheme specifies how to allocate the credit for the context.

The base configuration supports the following allocation methods.

- **First to Last** – Allocates credit to each item fully, starting with the earliest eligible item
- **Last to First** – Allocates credit to each item fully, starting with the latest eligible item
- **Proportional** – Allocate credit proportionally over the eligible invoice items

BillingCenter can be configured to define and employ additional allocation methods. For details, refer to “Configuring Credit Allocation” on page 454 in the *Configuration Guide*.

Process Any Remaining Credit

After using the credit to pay all eligible invoice items, any remaining credit is handled according to the **Excess Treatment** setting in the context handling scheme. The base configuration supports placing the remaining credit in the **Unapplied** T-account associated with the invoice stream containing the paid invoice items.

Additional **Excess Treatment** settings can be defined to handle alternative methods of processing any remaining credit. For details, see “Defining New Return Premium Plan Property Settings” on page 451 in the *Configuration Guide*.

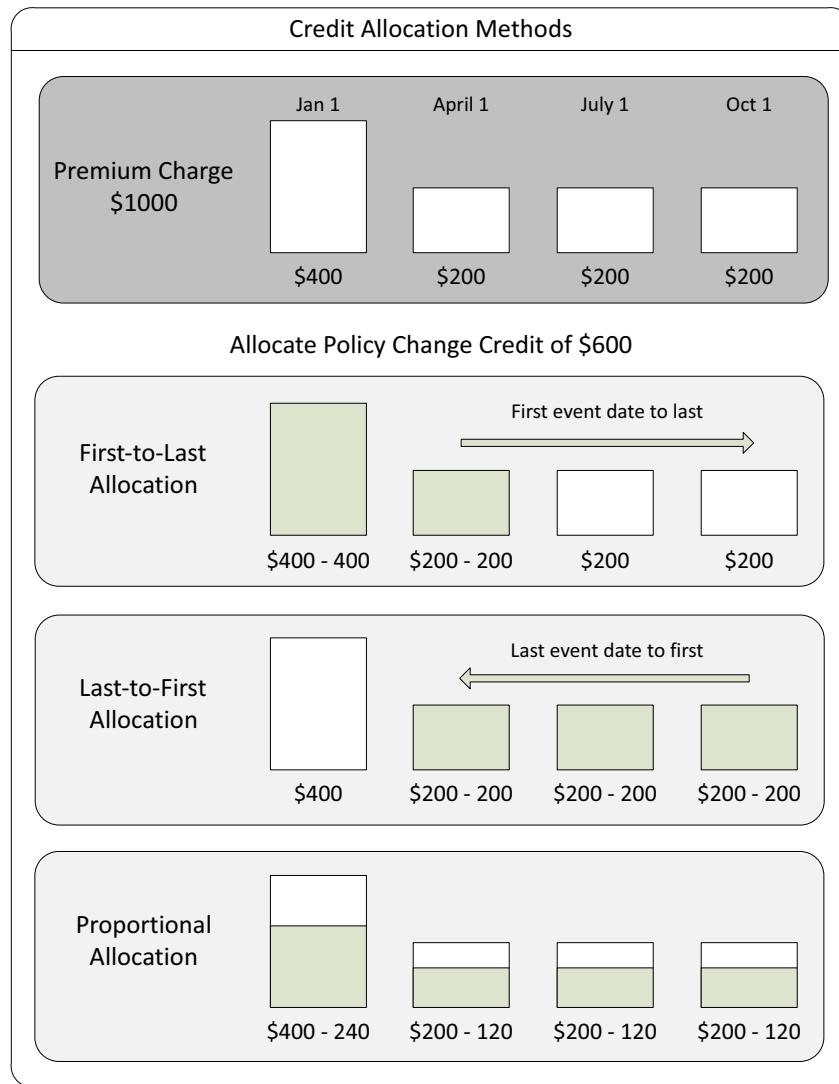
Credit Allocation Examples

The following sections provide examples of credit allocation using the base configuration's supported allocation methods.

Each example assumes a policy issued with a premium charge of \$1000. The payment plan specifies quarterly invoice billing with a 40% down payment and a maximum of three installments. The distribution of the premium charge among invoices is shown at the top of the illustration that accompanies each example. The illustration also shows how a credit is allocated in various situations.

Simple Credit Allocation

Assume that a new policy is changed on the day it is issued. The change results in a reduction of the premium charge, resulting in a return premium credit of \$600. The three credit allocation groupings in the illustration show how the credit is allocated for each allocation method supported in the base configuration. The credit is applied to the green-shaded invoice items to “pay” or reduce each item.

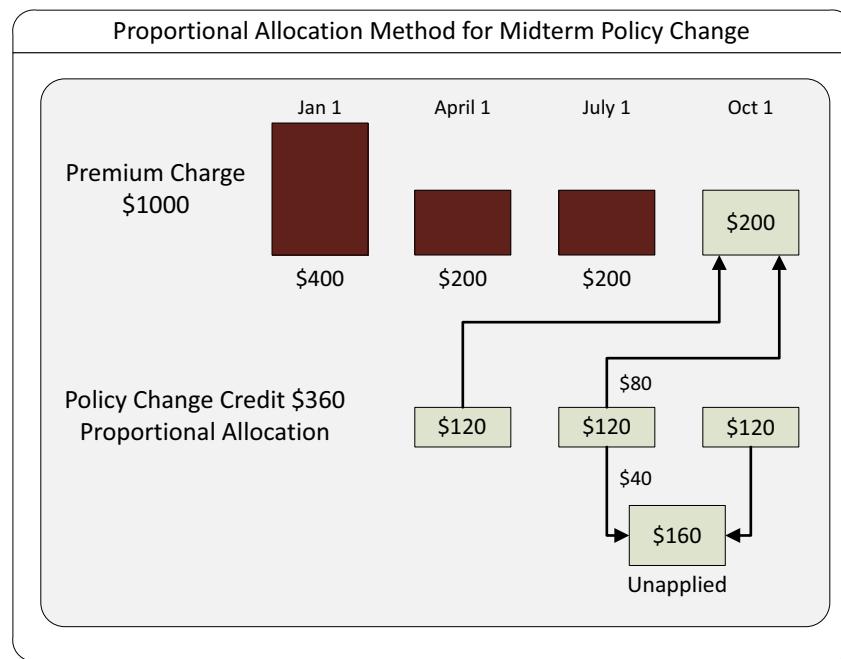


Midterm Credit Allocation

Assume a policy change occurs midterm after some invoices have already been fully paid. In the diagram below, the first three invoices have been fully paid and only the last invoice is not paid. Also, a credit for \$360 is sliced according to the relevant payment plan into three installments with no down payment. The diagram shows how each credit installment is then allocated to the unpaid invoice.

The first credit installment of \$120 is applied to the invoice's \$200 charge. After allocating \$80 from the second credit installment, the charge becomes fully paid. The credit installment's remaining \$40 credit is allocated to the Unapplied T-account. Finally, with all invoice items paid, the entire third credit installment is allocated to the Unapplied fund.

The destination for a remaining credit balance is specified by the return premium handling scheme and its Excess Treatment field. In the base configuration, the only supported destination for a remaining credit balance is the Unapplied fund. Alternative destinations can be added through configuration.



Effect of Event Dates on Proportional Allocation

The Proportional allocation method can be affected by the event dates of the unpaid invoice items and the sliced credit installments. A credit installment can be allocated to pay an invoice item only when the item's event date is the same or later than the credit's event date. This behavior is depicted in the diagram below.

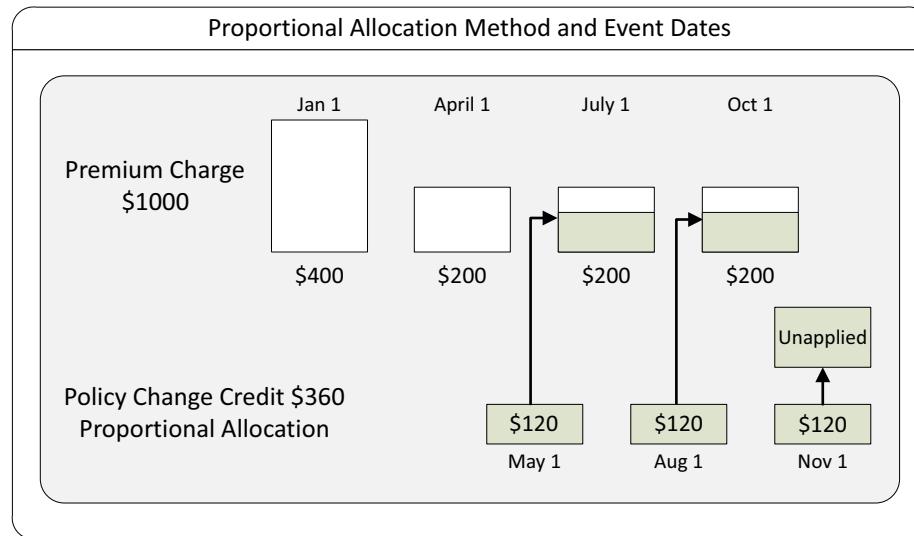
Note: The diagram does not show event dates for individual invoice items. To simplify the example, assume the event date for an invoice item matches the invoice date that contains the item. In actual practice, however, the invoice items on an invoice can include a range of event dates.

For the example, the event dates for the invoice items and credit installments do not fall on identical dates. The credit installment for May 1 cannot be allocated to unpaid items contained on the January or April invoices because their event dates fall before the credit installment event date. The May 1 credit can only be allocated to invoice items having a May 1 or later event date, such as those included in the July invoice.

Note: Notice that it is the event date of each invoice item that is relevant when allocating the credit and not the date of the invoice that contains the item.

Similarly, the August 1 credit installment can be applied only to invoice items with an August 1 or later event date, such as those contained in the October invoice. Finally, no invoice items exist after the November 1 credit installment so the credit is allocated to the destination specified in the handling scheme Excess Treatment field. For the example, the destination is the Unapplied T-account.

The allocation behavior depicted in this example pertains to the **Proportional** allocation method only. The **First-to-Last** and **Last-to-First** methods do not take event dates into account when allocating a credit.



Return Premium Plan Properties

A return premium plan includes the following properties.

- **Name** – The plan’s name shown in the user interface
- **Description** – The plan’s description shown in the user interface
- **Effective Date** – First date the plan can be used
- **Expiration Date** – Last date the plan can be used
- **Positive Item Qualifier** – Additional criteria used to determine whether an item is eligible to receive credit allocation. The property criteria supported in the base configuration are described later in this section.
- **List Bill Account Excess** – Specifies the destination to allocate excess credit for list bill accounts. The property’s supported settings are described later in this section.
- **Return Premium Handling Schemes** – Specifies how to perform the credit allocation for a particular context, such as **Policy Issuance**. Scheme properties and their supported settings are described later in this section.

Positive Item Qualifier

The credit handling process filters invoice items to identify and select items eligible to be paid by a credit allocation. The **Positive Item Qualifier** property specifies a portion of the criteria applied during the filtering operation. The filtering operation is described in the section “Select Eligible Invoice Items” on page 192.

The **Positive Item Qualifier** criteria settings supported in the base configuration are described below.

Positive Item Qualifier	Filter Description
Same Payer Account	Select positive invoice items with the same payer account as the credit.
Same Policy	Select positive invoice items on the same policy as the credit.
Same Policy Period	Select positive invoice items on the same policy period as the credit.

Positive Item Qualifier	Filter Description
Same Policy Period and Charge Pattern	Select positive invoice items on the same policy period and with the same charge pattern as the credit. The charge pattern is the type of charge, such as a premium, tax, or invoice fee.
Same Policy Period and Charge Category	Select positive invoice items on the same policy period and with the same charge category as the credit.
Same Policy Period and Charge Group	Select positive invoice items on the same policy period and with the same charge group as the credit. The charge group is a free-form text field used to group related charges.

The filter criteria applied by the Positive Item Qualifier setting can be customized. For details, refer to “Customize the Filter Criteria for Credit Allocations” on page 193 in the *Integration Guide*.

List Bill Account Excess

After allocating a credit to all eligible invoice items, a credit balance can still remain. The List Bill Account Excess property specifies where to allocate the remaining credit for a list bill account.

Note: The property applies to list bill accounts only. For other account types, the destination for remaining unallocated credit is specified in the return premium handling scheme’s Excess Treatment property.

The base configuration supports the following settings.

List Bill Account Excess	Credit Destination
Policy Owner Unapplied	Unapplied T-account of the policy's owner
Policy Payer Unapplied	Unapplied T-account of the policy's payer

Handling Schemes

A return premium plan includes one or more handling schemes. Each scheme defines how a credit is allocated for the specific context that is creating the credit. The contexts supported in the base configuration are listed below.

- Audit
- Cancellation
- New Renewal
- Other
- Policy Change
- Policy Issuance
- Premium Report BI
- Reinstatement
- Renewal
- Rewrite

Contexts are defined in an ordered list. When handling a credit, a search is performed through the context list from top to bottom to find the appropriate context. If the context is found, the context’s handling scheme is used to determine how to process the credit.

If the appropriate context is not found, the handling scheme associated with the Other context is used to process the credit. The Other context is a default “catch all” context. Every return premium plan must define the Other context, and it must be the last context in the ordered list.

The BillingCenter base configuration defines a single return premium plan named `Default Return Premium Plan`. The plan includes handling schemes for two contexts: `Cancellation` and `Other`. The plan is defined to handle the common scenario where cancellations use a `Last to First` allocation method and all other contexts use the `Proportional` allocation method.

Note: Handling schemes apply to policy-period level items only. Account-level items are not associated with a return premium plan. In the base application, account-level items are distributed using the `First to Last` allocation method.

Handling Scheme Properties

A return premium handling scheme includes the following properties.

- **Priority** – Determines the order in which to search contexts. The contexts are searched to find a match with the operation creating the credit. The matching scheme is used to allocate the credit. Scheme priority is based on the ordered list of schemes. The list is searched from the top to the bottom. A scheme's priority can be modified by using the scheme's `Move Priority` field.
- **Context** – The operation creating the credit, such as `Policy Issuance` or `Renewal`.
- **Start Date** – Specifies the earliest event date that an invoice item can have to be considered eligible to receive credit allocation.
 - `Charge Effective Date` – The invoice item's event date must be on or after the charge's effective date to be considered eligible.
 - `Not Restricted` – Do not consider the invoice item's event date when determining eligibility.
- **Allocate Timing** – Specifies when to allocate the credit.
 - `Billed` – Allocate the credit when the invoice containing the credit item is billed. If the credit item exists on an invoice that is currently billed or due, the credit is allocated immediately.
 - `Due` – Allocate the credit when the invoice containing the credit item is due. If the credit item exists on an invoice that is currently due, the credit is allocated immediately.
 - `On Receipt` – Allocate the credit when the billing instruction that creates the credit is processed.
- **Method** – Specifies the credit allocation method. Examples of credit allocation are provided in “Credit Allocation Examples” on page 193.
 - `First to Last` – Allocate credit to each invoice item fully, starting with the earliest eligible item.
 - `Last to First` – Allocate credit to each invoice item fully, starting with the latest eligible item.
 - `Proportional` – Allocate credit proportionally among the eligible invoice items. The proportional method takes into account the event dates of the sliced credit installments and the eligible invoice items. For an example, see “Effect of Event Dates on Proportional Allocation” on page 195.
- **Excess Treatment** – Specifies the destination of any remaining credit balance following allocation to all eligible invoice items.
 - `Unapplied` – Store excess funds in the appropriate `Unapplied` T-account.
- **Move Priority** – This field is shown in the user interface, but is technically not a handling scheme property. The field is active only when editing the plan. It enables moving the handling schemes up and down in the list of schemes to set their desired order of priority. The catch-all `Other` handling scheme must be the last scheme in the list, thereby assigning it the lowest priority.

part VII

BillingCenter Invoice Items

Invoice Item Overview

This topic presents an overview of BillingCenter items and item assignment. A BillingCenter *item*, which is also referred to as an *invoice item*, is a line item on an invoice or producer statement. BillingCenter tracks each item by means of predefined item events such as **Item Charged**, **Item Billed**, **Commission Reserved**, and **Item Assigned to Payer**.

This topic includes:

- “Item Owners and Payers” on page 201
- “Assigning a Payer” on page 202
- “Assignment and Reassignment of Charges and Items” on page 203

Item Owners and Payers

Every invoice item has both an owner and a payer. The *owner* is the policyholder and does not change. The *payer* is an account or producer who is responsible for paying the item and can be changed at any time. In BillingCenter, *assignment of items* means that items owned by one account can be assigned to a particular payer. This payer can be either any account or a producer with an agency bill plan.

- **If the payer is an account**, the item appears in the account’s invoices.
- **If the payer is a producer**, the item appears on producer’s agency bill statements.

When an external system sends a charge to BillingCenter, the charge has a *default payer*. If the default payer is not specified, the policyholder is the default payer. BillingCenter assigns the default payer as the payer of all invoice items resulting from that particular charge.

The following table summarizes these terms.

Owner	The account associated with a particular invoice item. The association between an item and the account owner is determined through one of the following paths: <ul style="list-style-type: none"> Item → charge → account (for account-level charges) Item → charge → policy period → account (for policy-level charges)
Payer	The account or producer responsible for paying the invoice item. The payer is not necessarily the same as the owner of the invoice item. The association between an item and the account or producer payer is determined through one of the following paths: <ul style="list-style-type: none"> Item → invoice on which the item is placed → account that owns the invoice (for direct bill items) Item → agency bill statement on which the item is placed → producer that owns that agency bill statement (for agency bill items)
Default Payer	The payer of a charge. If the default payer is not specified, the policyholder is the default payer.

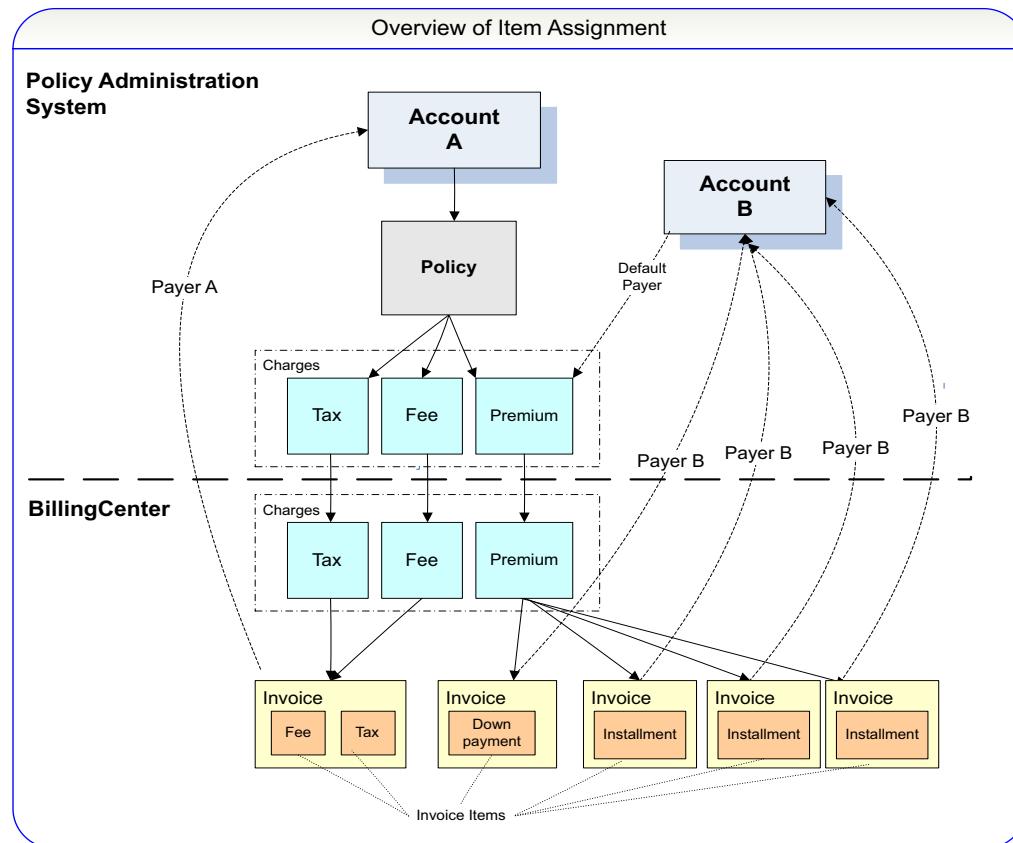
Assigning a Payer

The assignment of an account or producer as the payer of an item starts when BillingCenter receives a billing instruction from the policy administration system (PAS). For each charge in the billing instruction, BillingCenter creates one or more items, which it places on invoices. This process is called charge invoicing.

See also

- See “Charge Invoicing Process” on page 181 for more information on how BillingCenter divides charges into invoice items.

The following graphic provides an overview of charge invoicing and shows how a payer is assigned to a charge and its invoice items in BillingCenter.



In the diagram, Account A is the policyholder. There are three charges for the policy. The Taxes and Fee charges have no specified payer so the account owner (Account A) becomes the payer. The Premium charge is explicitly assigned to Account B as the payer. The PAS sends the charges to BillingCenter along with instructions for how to handle the charges. BillingCenter converts this information into a billing instruction and uses the billing instruction to break down the charges into invoice items and place the items on invoices.

- The Tax and Fee charges are both one-time charges that become single invoice items and are placed on Account A's invoice. Account A becomes the payer of both invoice items because Account A is the default payer of the Tax and Fee charges.
- The Premium charge is split into multiple invoice items (typically, a down payment and installments). These items are placed on Account B's invoices because Account B is the default payer of the Premium charge.

Each charge has a payer and all invoice items resulting from the charge inherit the same payer. This payer is either an account or a producer with an agency bill plan. This is the *original* assignment. Any future invoice items that BillingCenter creates for that charge inherit that payer unless the default charge payer is reassigned.

IMPORTANT You can change the originally assigned *payer* of an item. However, you **cannot** change the *owner* of an invoice item.

See also

- See “Billing Instructions” on page 159 for more information on how BillingCenter uses billing instructions.

Assignment and Reassignment of Charges and Items

It is important to understand the distinction between *assigning* a charge or item to a payer and *reassigning* that same charge or item to another payer:

- BillingCenter **assigns** a charge to a payer at the time of its creation. If an external system creates the charge, then the assignment happens before the external system sends information about the charge to BillingCenter. When BillingCenter divides the charge into invoice items, all the resulting items are automatically assigned to the charge payer.
- You can **reassign** an existing charge to a different payer. You can also reassign the payer of individual items.

The following table summarizes the different ways that you can assign or reassign the charge payer and item payer.

How	To assign a payer	To reassign a payer
Automatically	Through the initial billing instruction	Not available
Manually	Enter the change in BillingCenter: <ul style="list-style-type: none"> • New Policy Wizard • Policy Change Wizard The wizards simulate the sending of a billing instruction from a policy administration system. The payer you assign to the charge becomes the payer assigned to all of the items resulting from the charge.	Enter the assignment in BillingCenter: <ul style="list-style-type: none"> • Use Assign Payer on the Account → Charges screen You can select individual items or one or more charges to reassign. Reassigning a charge payer is a quick way to reassign the items belonging to that charge.
Programmatically, using a method on: <ul style="list-style-type: none"> • Charge • Account • Producer 	Use a Gosu rule in the BillingInstructionPreupdate rule set.	Use either of the following: <ul style="list-style-type: none"> • A Gosu business rule • A delinquency workflow

See also

- “Automatically Assigning a Payer” on page 207

- “Manually Assigning a Payer” on page 207
- “Programmatically Reassigning a Payer Using Domain Methods” on page 212

Assigning a Payer for Charges and Items

This topic describes some typical use cases for assigning a payers and explains how to assign the items resulting from a charge in BillingCenter.

This topic includes:

- “Charge and Item Assignment Use Cases” on page 205
- “Automatically Assigning a Payer” on page 207
- “Manually Assigning a Payer” on page 207
- “Viewing Charge and Item Assignments” on page 207

Charge and Item Assignment Use Cases

You can use item assignment to do any of the following in BillingCenter

- Multipayer (Multilocation) Invoicing
- List and Group Billing
- Collection Agency Support
- Ad Hoc Requests
- Conversion Between Agency Bill and Direct Bill

Multipayer (Multilocation) Invoicing

In multipayer invoicing, two or more accounts have a hierarchical relationship for business reasons. The owner account acts as the parent account in the relationship and the other accounts become subaccounts of the parent account. The parent account owns the policy (and all of its items), but the subaccounts are the payers of the items assigned to them.

For example, suppose that the parent account has a large commercial policy with coverage for each of its other locations (subaccounts). You can map the charges as separate invoice items to each location:

- A main office
- A warehouse
- Three branch offices

In this case, the main office (the parent account) *owns* the policy, but each location is responsible for paying its portion of the premium. BillingCenter sends to each location the invoices for which that location is the payer.

List and Group Billing

In this scenario, you assign items owned by multiple account owners and holders to a single parent account payer. For example, a bank holds mortgages for several home owners. Each home owner is a separate insured, but each pays premiums to the bank. The bank, in turn, pays the carrier.

Collection Agency Support

In the typical scenario, after a policy becomes past due, the carrier initiates delinquency proceedings. At some point in the process, the carrier decides that the insured is no longer willing, able, or likely to pay the past due amounts. The carrier then decides to refer the delinquent policy to a collection agency, which is an account type. This usually happens after cancellation of the policy. All unpaid items and partially paid items from a defaulting account are assigned to a collection agency, which then becomes the payer. A collection agency is a type of account in BillingCenter.

It is possible to configure a delinquency workflow to trigger an event that causes BillingCenter to do the following:

- Reassign all the items that are not fully paid to a collection agency.
- Add the amounts to collect to the collection agency's next planned invoice.

Any fully paid items remain with the owner account. The collection agency becomes the new *payer* of the reassigned items and assumes responsibility for collecting those funds.

Note: You do not create a collection agency by directly using the `CollectionAgency` entity. Instead, you define the account Type to `Collection Agency` on the `New Account` screen in BillingCenter.

Ad Hoc Requests

In this scenario, you manually reassign individual items on one account to another account or producer payer, at the request of the insured. This move changes the *payer* of the reassigned items.

For example, the parents of a teenaged driver inform the carrier that their daughter intends to pay the premiums for her automobile insurance during the summer school break. BillingCenter then bills the teenager for June through August. Starting that September, the parents again start paying the premiums. The remaining items for September to the end of the policy period remain on the parent's invoices.

Conversion Between Agency Bill and Direct Bill

Using BillingCenter, you can change the billing method for a policy. Conversion of the billing method changes the payer of the invoice items. If you change a policy from direct bill to agency bill, BillingCenter transfers items from an account payer to a producer payer. If you change a policy from agency bill to direct bill, BillingCenter transfers items from a producer payer to an account payer.

There are various reasons for changing the billing method of a policy. For example:

- An initial underwriting error occurred.
- An agency goes out of business.
- A carrier becomes dissatisfied with a producer. In this case, the producer's policies can be converted to direct bill.

- An insured becomes dissatisfied with a carrier. In this case, the insured chooses to switch to agency bill.

Automatically Assigning a Payer

A policy administration system (such as PolicyCenter) sends information about charges to BillingCenter in a billing instruction. BillingCenter uses information in the billing instruction to split charges into invoice items.

After BillingCenter creates the invoice items, it places the items on invoices or agency bill statements:

- If a billing instruction does not explicitly assign a default payer for a particular charge, then BillingCenter assigns the *account owner* as the payer of each invoice item.
- If a billing instruction specifies a payer for a charge (using Charge.OverrideDefaultPayer), then BillingCenter uses that payer for the charge and all invoice items generated by that charge. This occurs regardless of how BillingCenter sets payers for the other charges listed in the billing instruction.

See also

- “Billing Instructions” on page 159
- “Billing Instruction Subtypes” on page 163
- “Working with Charges” on page 168

Manually Assigning a Payer

In the base configuration, you can simulate sending a billing instruction by using a wizard to create a policy or modify an existing policy. Both wizards have a **Payer** field that allows you to select a charge payer who is not the policy owner. If you enter a payer in the **Payer** field of a charge, the items that result from the charge will be assigned to that payer.

Assigning a Payer at the Charge Level

To manually assign a payer to a charge and the resulting invoice items, perform the following steps.

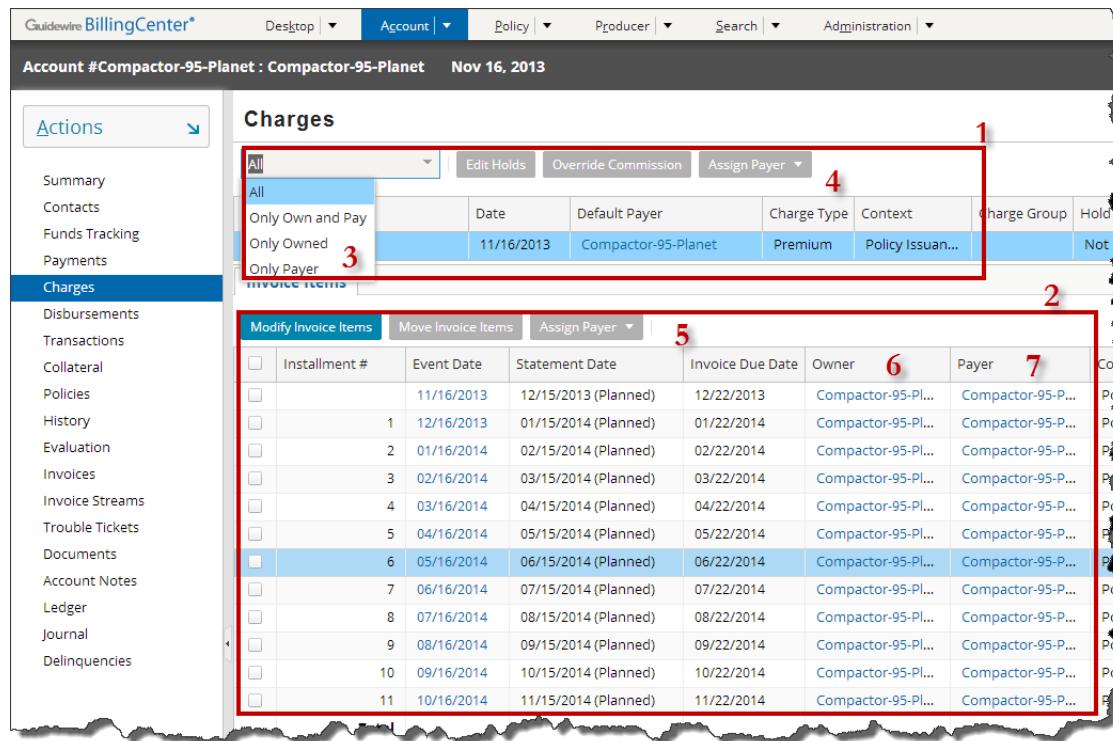
To manually assign an item

1. Navigate to one of the following:
 - **Account** (for the policyholder) → **Actions** → **Add Policy** → **New Policy Wizard** for new policies
 - **Policy** (for the existing policy) → **Actions** → **Change Policy** → **Policy Change Wizard** for modifications to existing policies
2. Complete the first step of either wizard and click **Next**.
3. On the second step, click **Add** to create an entry row for the charge information.
4. Enter a charge and assign the charge to a payer. If required, add and define more charges. Notice that you can set a different payer for each charge. This payer becomes the *default* payer of the invoice item or items that BillingCenter derives from that particular charge.
5. Click **Finish** to complete the process.

Viewing Charge and Item Assignments

The **Charges** screen for an account shows the default payer of each charge and the owner and payer for each invoice item. The **Charges** screen has two list views:

- The **Charges** list view shows all the charges for the account.
- The **Invoice Items** list view shows all the items belonging to the currently selected charge.



In the graphic above, the numbers point out the following areas of the user interface:

- 1. Charges** list view
- 2. Invoice Items** list view
- 3. Charges** filter
- 4. Assign Payer** button for reassigning the default charge payer
- 5. Assign Payer** button for reassigning the default item payer
- 6. Invoice item owners**
- 7. Invoice item payers**

See also

- “Manually Reassigning a Payer” on page 211

Filtering Charges

You can filter the view of charges and invoice items on the **Charges** screen for an account. The **Charges** filter looks for any invoice items that meet the criteria of the selected filter, and then filters the charge list based on its invoice items. It shows all invoice items for the charge, even if some of them do not meet the filter criteria. Use the filters on this screen to view the items you assigned:

All	Shows all charges with at least one invoice item that the account owns, pays, or both owns and pays.
Only Own and Pay	Shows all charges with at least one invoice item for which the account is both the owner and the payer.

Only Owned	Shows all charges with at least one invoice item that the account owns.
Only Payer	Shows all charges with at least one invoice item that the account pays.

Reassigning a Payer

This topic discusses how items are reassigned from one payer to another. You can explicitly reassign the payer of a charge or individual items. Alternatively, the reassignment can happen implicitly, such as when the billing method is changed on a policy.

This topic includes:

- “Manually Reassigning a Payer” on page 211
- “Programmatically Reassigning a Payer Using Domain Methods” on page 212
- “What Happens When You Reassign an Item” on page 213
- “Changing the Billing Method on a Policy” on page 215
- “Plugins for Configuring Billing Method Behavior” on page 216

Manually Reassigning a Payer

The **Charges** screen for an account enables you to reassign the default payer of a charge and some or all of its associated items. It also enables you to reassign the payer of selected items without changing the charge payer.

It is important to keep the following in mind about item and charge reassignment:

- If you reassign the payer of an individual *item* in BillingCenter, the default payer for the charge does **not** change.
- If you reassign the payer of a *charge* in BillingCenter, you can choose the scope of the assignment. Choose to reassign all associated items to the new payer or only those that are not fully paid. All future items resulting from that charge inherit the charge payer.

Note: An example of future items being generated for a charge is when changing the payment plan for a policy results in the generation of new invoice items for the charge.

Manually Reassigning a Charge Payer

Reassigning a payer at the charge level provides a convenient way to reassign all invoice items associated with the charge. Before you complete this process, you can filter out items that are fully paid. Reassigning the charge payer also means that any new items generated for the charge are assigned to the charge payer.

To manually reassign a charge to either an account or a producer, perform the following steps.

To manually reassign a charge

1. From the **Account** tab, choose or search for the account in question.
2. Select the account and choose **Charges** from the side bar menu.
3. From the **Charges** screen, select the charge or charges that you want to reassign from the **Charges** detail view.
4. Click **Assign Payer** and choose one of the following options:

Assign to Account	Use to reassign a charge from a producer code to an account or from one account to another account.
Assign to Producer	Use to reassign a charge from an account to a producer code or from one producer code to another producer code.

5. Enter the new payer. This is one of the following, depending on your previous choice.
 - **Account:** Search for and select the new account payer.
 - **Producer:** Search for and select the new producer payer and select a producer code.
6. Select what items you want to assign. An **All** response results in all items associated with the charge being reassigned. A **Not Fully Paid** response results in only those items that have an unpaid balance being reassigned.
 - An item is fully paid if the values in the **Amount** and **Paid Amount** fields are equal.
 - An item is not fully paid if the values in the **Amount** and **Paid Amount** fields are not equal.
7. Select whether you want to reverse any existing payments. A **No** response results in all payments (if any) moving with the item. A **Yes** response results in all payments (if any) being reversed. See “Reversing Payment Items and Write-off Items” on page 214 for more details.
8. (**Assign to Account** only) Select whether you want to create a catch-up invoice for past invoice items. A **No** response results in billed and due items being placed on planned invoices. A **Yes** response instructs BillingCenter to immediately invoice the new payer for any billed or due invoice items. See “Creating Catch-up Invoices” on page 215 for more details.
9. Click **Execute** to complete the process. The reassigned items appear on the new payer’s invoice or agency bill statement.

Manually Reassigning an Item Payer

To reassign an item or items without reassigning the charge payer, use the same steps as shown in “Manually Reassigning a Charge Payer” on page 212. Select the invoice items you want to reassign from the **Invoice Items** list view on the account’s **Charges** screen.

Programmatically Reassigning a Payer Using Domain Methods

You can write Gosu code (in web services, rule sets, workflow, and similar places) to reassign the payer of charges and invoice items.

Programmatically Reassigning a Charge Payer

The Charge entity has an attribute called `OverridingDefaultPayer`. To reassign the charge's payer, set `OverridingDefaultPayer` to the new account or producer payer.

When you programmatically reassign the charge payer, the payer of the associated invoice items does not change.

Programmatically Reassigning an Item Payer

To reassign an item payer, use the following methods on an Account or a Producer entity:

- `Account.becomePayerOfInvoiceItems(shouldReversePayments, createInvoiceForToday, invoiceItems)`
- `Producer.becomePayerOfInvoiceItems(producerCode, shouldReversePayments, invoiceItems)`

These methods take the following parameters (listed in alphabetical order):

Parameter	Description
<code>createInvoiceForToday</code>	(Boolean) If set to <code>true</code> , BillingCenter creates an immediate invoice to hold all billed and due items being transferred. BillingCenter places all future or planned invoice items on future invoices according to the invoice item event date.
<code>invoiceItems</code>	The array of invoice items (<code>InvoiceItem[]</code>) for this account to pay.
<code>producerCode</code>	The producer code to use for the primary policy producer code for the moved items.
<code>shouldReversePayments</code>	If Yes, or if <code>OnlyForNonPlanned and the item is not on a planned invoice</code> , BillingCenter moves any portions of payments that were applied to the invoice items back to Unapplied.

What Happens When You Reassign an Item

If you reassign an item, then BillingCenter uses the following criteria in making the reassignment:

- Are there payment items and/or write-off items that need to be reversed?
- Is the reassigned item *Planned* or *Billed*?
- Is there a change in the active primary producer code?
- Is the item to be placed on an invoice or statement?

A *payment item* is that part of a payment that BillingCenter applies to a specific invoice item. A *write-off item* is that part of an invoice item that the carrier does not expect to collect payment for. An item can have multiple associated payment items and/or write-off items.

Reassigning a Planned Item

If you reassign a *Planned* item, BillingCenter moves the item from the original invoice to the new payer's invoice. BillingCenter checks to see if you requested to reverse the payments prior to the reassignment.

- **If you choose to reverse payments**, BillingCenter reverses all associated payment items and write-offs. The money is credited to the Unapplied T-account of the payer.
- **If you choose not to reverse payments**, all associated payment items are moved with the item. The total amount of the payment items appears on the new payer's invoice.

Reassigning a Billed Item

BillingCenter creates an *offset item* (reversal of the billed amount) on the original invoice or statement. The offset item and the *original item* (the item being reversed) cancel each other. BillingCenter creates a new *onset item* (a new item of the same amount as the original item) and places it on the new payer's invoice or statement. Thus, this process does the following:

- It reverses the original item.
- It negates the billed amount with the offset item.
- It places an onset item equal to the original amount on the new payer's invoice.

For example, suppose you reassign a billed item for \$100 to a new payer. BillingCenter:

- Updates the **Paid Amount** on the original item to \$100, which is equal to the **Amount**.
- Places an offset item for -\$100 on the invoice of the original payer.
- Places an onset item for \$100 on the invoice of the new payer.

BillingCenter then checks to see if you requested to reverse the payment items prior to the reassignment.

- **If you choose to reverse payments**, BillingCenter reverses all associated payment items and write-off items. The money is credited to the Unapplied T-account of the payer.
- **If you choose not to reverse payments**, all associated payment items and write-off items are moved with the item. The total amount of the payment items appears on the new payer's invoice.

Reversing Payment Items and Write-off Items

If you reassign an item, you must first determine if you want to reverse any payments associated with the item. Reversing a payment reverses the following:

- All associated direct bill and agency bill payment items
- All associated direct bill write-off items
- All agency bill write-off items that are associated with the charge

The following table describes each choice.

Reverse payment	Description
Yes	BillingCenter reverses payment items associated with both planned and billed invoice items. For billed items, it reverses both partially paid and fully paid items. If you execute this action, BillingCenter returns the paid amount to the payer's Unapplied T-account.
No	BillingCenter does not reverse the payment for either Planned (Unbilled) or Billed status. If you execute this action, BillingCenter moves the associated payment items to the reassigned items.

Reversing Commission Remainder Items (Remainders)

Remainder items are invoice items that BillingCenter creates if the commission does not distribute evenly. The configuration parameter **CommissionRemainderTreatment** (defined in `config.xml`) controls this behavior and specifies how to distribute these amounts. The default for this parameter is `write-off`. Other values for the parameter are:

- `overweightFromFront` which means distribute any extra cents starting with the first invoice or statement
- `overweightFromBack` which means distribute the extra cents starting with the last invoice or statement
- `overweightFirst` which means add all extra cents to the first invoice or statement
- `overweightLast` which means add all extra cents to the last invoice or statement

Example of commission not distributing evenly

Assume these details for the premium charge on a policy:

- Premium: \$1000
- Down payment: \$100
- 11 Installments: 9 installments for \$81.82 and 2 installments for \$81.81

Assume one producer, who earns a 10% commission. This results in the following:

- Total Commissions Reserve: \$99.98, which includes \$10 for the down payment and \$8.18 for each of the 11 installments
- Remainder: \$.02

Changing the Primary Producer

The *active* producer code is the producer code that currently earns the commission for the item. If you reassign an item to a new payer and that payer is a producer, then that producer becomes the active primary producer code (commission earner) for the item. BillingCenter marks the old producer *inactive* for that item.

Whenever a reassignment causes a primary producer code change, BillingCenter transfers the commission reserve balance to the new active primary producer code.

Creating Catch-up Invoices

If you reassign an item using the **Assign Invoice Items to Payer** screen, you can specify that BillingCenter create catch-up invoices. Catch-up invoices allow BillingCenter to immediately invoice a new payer for all billed and due invoice items. If you do not create the catch-up invoice, BillingCenter places the billed and due items on the next planned invoice.

Changing the Billing Method on a Policy

Under normal conditions, the billing method of a policy can be changed during the life of the policy. Changing the billing method also changes the ultimate payer of the policy's items.

Reasons for Changing Billing Method

There are various reasons that you can decide to change an account's billing method. These include:

- Fixing an underwriting error.
- Resolving a situation in which the agency has gone out of business.
- Changing the policy period's producer of record.
- Addressing an issue in which the insured is not satisfied with the carrier's service.

For example, an insured using direct bill processing sends payments directly to the carrier. If required, the carrier pays commission amounts to any involved producers. If the insured decides to work with an agent instead of directly with the carrier, BillingCenter can reassign any remaining items on the insured's invoices to the new producer's statement. The producer becomes the ultimate payer for those items, and, in the future, the items appear on the producer's statement. At this point, the insured makes payments directly to the producer. The producer makes net payments to the carrier and keeps the commission.

Change to Agency Bill

Setting the billing method to agency bill changes the ultimate payer to a producer. The primary producer must have an agency bill plan associated with it. Planned invoice items are moved to the producer's agency bill statements.

1. In the policy's **Summary** screen, click the button in the **Billing Method** field to display the drop down list of available billing methods. Select **Change to Agency Bill**.
2. If you want all existing payments for the policy to be reversed and transferred to the producer, set the **Reverse Payments** field to **Yes**.
3. To confirm the billing method change, click **OK**.

Change to Direct Bill

Setting the billing method to direct bill changes the ultimate payer to the insured's account. Planned invoice items are moved to the account's invoices.

1. In the policy's **Summary** screen, click the button in the **Billing Method** field to display the drop down list of available billing methods. Select **Change to Direct Bill**.
2. Respond to the screen questions. A catch-up invoice immediately bills the account for all current billed and due invoice items. If a catch-up invoice is not created, the current billed and due items are placed on the next planned invoice.
3. To confirm the billing method change, click **OK**.

Change to List Bill

Setting the billing method to list bill changes the ultimate payer to the overriding list bill payer account. Planned invoice items are moved to the list bill payer account's invoices.

1. In the policy's **Summary** screen, click the button in the **Billing Method** field to display the drop down list of available billing methods. Select **Change to List Bill**.
2. In the resulting **Overrides** screen, click the Search icon in the **List Bill Payer** field.
3. In the resulting **Search for Accounts** screen, set the **Type** field to **List Bill**. Click **Search** to display the available list bill accounts. Select an account to return to the **Overrides** screen.
4. Select the account's payment plan and invoice stream. Click **Next**.
5. Respond to the screen questions. If the payment plan is changing, specify if you wish to **Redistribute** payments for all invoice items or only for billed and due items. If the payment plan is not changing, specify if you wish to **Reverse** payments for all invoice items or only for billed and due items.
6. To confirm the billing method change, click **Finish**.

Plugins for Configuring Billing Method Behavior

The following plugins provide points where the base configuration behavior of changing the billing method can be modified.

- The **InvoiceAssembler** plugin determines which invoice or statement receives each item.
- The **PolicyPeriod** plugin method returns a list of items for reassignment using the following method:

```
getItemsAffectedByBillingMethodChange(policyPeriod: PolicyPeriod) : List<InvoiceItem>{
    return policyPeriod.InvoiceItemsWithoutOffsetsSortedByEventDate
}
```

For example, you can configure the `getItemsAffectedByBillingMethodChange` method to filter out direct bill items that have already been reassigned to a payer that is not the account holder.

Moving an Invoice Item

This topic discusses how you can move an item from one invoice to another invoice with the same payer in BillingCenter.

This topic includes:

- “Moving an Item to Another Invoice” on page 219
- “Creating a New Invoice” on page 220

Moving an Item to Another Invoice

The **Charges** screen for an account or a policy enables you to move an invoice item from one invoice to another. The source and destination invoices must have the same payer.

Note: Moving an item to an invoice that is located on a different invoice stream has consequences when the account’s billing level is policy-level billing with cash separation. The cash separation functionality applies incoming payments based on the item’s invoice stream. By changing the item’s invoice stream, the source of the item’s payment also changes. For details about policy-level billing with cash separation, refer to “Billing Levels” on page 299.

View a list of items

To view a list of items for either the account or the policy:

- Select an account and then from **Account → Charges**, see a list of charges on the **Charges** screen with their related items.
- Select a policy and then from **Policy → Charges**, see a list of charges on the **Charges** screen with the related items shown.

Manually move an item to another invoice

1. From the **Account** tab, choose or search for the account that is the payer of the item. Alternatively, from the **Policy** tab, choose or search for the policy that is the item’s payer.
2. Select **Charges** from the side bar menu.

3. Select the charge that contains the item in the **Charges** list view.
4. Select the checkbox for the desired item or items in the **Invoice Items** list view and click **Move Invoice Items**.
5. The **Move Invoice Items** screen displays invoices that have the same payer as the source invoice. Find the desired destination invoice and click **Select**. The item or items are moved to the destination invoice.

Creating a New Invoice

You can create a new invoice from the **Account→Invoices** screen. Initially, the invoice is empty. You can then add items to it. You can also choose whether to create an ad hoc or a regular invoice.

To create a new invoice from the Account tab

1. From the **Account** tab, choose or search for the account that will be the payer of the items on the invoice.
 2. Select the account and choose **Invoices** from the side bar menu.
 3. Select an invoice stream for the new invoice from the **Invoice Stream** drop-down. The **Create New Invoice** button is now enabled.
- Note:** Every invoice must belong to an invoice stream.
4. Click **Create New Invoice**. The **New Invoice** popup opens.
 5. Modify the invoice and due dates if required.
 6. Choose whether to create an ad hoc or a regular invoice. If you do not want an ad hoc invoice to be created, select **No**. The **Ad Hoc** field is set to **Yes** by default.
 7. Click **Update**. BillingCenter creates a planned, fully paid invoice with empty **Amount** and **Due** fields.

Note: The new invoice will look the same, regardless of whether you selected **Yes** or **No** for **Ad Hoc**. However, selecting **Yes** results in the **AdHoc** property being set on the **Invoice** entity. BillingCenter treats ad hoc invoices differently from other invoices. For example, a held charge will not be placed on an ad hoc invoice. Instead, the item is placed on the next planned invoice in the invoice stream.

Tracking Item Details

BillingCenter tracks several events that happen over the life of an invoice item. The **Invoice Item Detail** screen provides a view of all the events for an individual invoice item.

This topic includes:

- “Invoice Item Detail Screen” on page 221
- “Item Events” on page 222

Invoice Item Detail Screen

BillingCenter tracks the events that happen to every invoice. To access the **Invoice Item Detail** screen for any invoice item, go to the **Charges** screen for an account or policy. Then click the **Event Date** link in the **Invoice Items** detail view for the item of interest.

Invoice Item Detail Return to Charges							
Date	07/01/2014						
Amount	\$300.00						
Invoice	AccountInvoice # 1000000192 (Billed); Due On: 07/26/2014;						
Owner	1000000014						
Payer	1000000014						
Item Events							
Policy Role	All Roles						
Date ↑	Event Type	Transaction #	Gross	Reserve	Write-Off	Payable	Paid
1	Item Charged		\$300.00				
2	Commission Reserved on T.B.C. (TBC) for role Primary			\$30.00			
2	Commission Earned on T.B.C. (TBC) for criteria On Binding	1000000001-0072		(\$30.00)		\$30.00	
3	Item Billed	1000000001-0085					
3	Direct Bill Payment Received	1000000001-0087	(\$150.00)				
4	Commission Reversed on T.B.C. (TBC)			(\$30.00)			
4	Payment Item of \$150.00 Moved to \$300.00 Item on Invoice 07/01/2014 (Planned)...	1000000001-0087	\$150.00				
4	Commission Earning Moved	1000000001-0072		\$30.00		(\$30.00)	
4	Item Reversed						
4	Direct Bill Payment Received	1000000001-0088	(\$300.00)				
Total			-	-	-	-	-

In the previous graphic, the numbers point out the actions in BillingCenter that caused a series of item events to occur. The table below explains the details.

BillingCenter Action	Item Event Description
1. BillingCenter receives a billing instruction and creates the item.	The item is created and placed on an invoice. Item commission is reserved and earned.
2. The invoice is billed.	The item is billed.
3. The item is partially paid by \$150.	The payment is distributed and a payment item is created.
4. The item is reassigned to a different account payer.	Because the item has been billed, the item is reversed and an offset item is created. The offset item is used to pay the original item in full. The original payment item is moved to the onset item, which appears in the new payer's invoice. The commission for the original item is reversed, and commission is now earned on the onset item.

Item Events

The following table lists (in alphabetical order) all the invoice item events that are defined in the base configuration. Through configuration, you can define additional item events.

• Charge Written Off	• Item Created as Onset
• Commission Earned	• Item Created as Reversal
• Commission Payable Moved (from)	• Item Created by Payment Plan Refactor
• Commission Payable Moved (to)	• Item Gross Amount Changed
• Commission Rate Change	• Item Made Due
• Commission Reserved	• Item Moved to a New Instance
• Commission Reversed	• Item Reversed
• Commission Written Off	• Payment Moved From Invoice Item
• Commission Write-off Moved (from)	• Payment Moved To Invoice Item
• Commission Write-off Moved (to)	• Payment Received
• DB Commission Payment	• Payment Reversed
• Item Assigned to Payer	• Point-in-Time Transfer to ProducerCode
• Item Billed	• Retroactive Transfer to ProducerCode
• Item Charged	

Additional Features of BillingCenter

Premium Reporting

Premium reporting is a billing process where insureds submit periodic reports to specify their current, up-to-date exposure. The reports are sent to BillingCenter, typically from an external Policy Administration System (PAS). Using the up-to-date information, BillingCenter can bill the insured for their actual rather than the estimated exposure.

Premium reporting is available for policies that use direct bill or agency bill processing. The premium reporting operation is nearly identical for both billing processes. Differences between them are described in the text.

This topic includes:

- “Premium Reporting Lifecycle” on page 225
- “Managing Premium Reporting Payments” on page 226
- “Premium Reporting Auditing” on page 227
- “Canceling Premium Reporting Policies” on page 227

Premium Reporting Lifecycle

Premium reporting is determined by the payment plan associated with the policy. The payment plan’s **Is Reporting?** field enables premium reporting when set to **Yes**. When set to **No**, reporting is disabled.

Based on information provided from either the insured, the PAS, or the producer, BillingCenter invoices the insured:

- For the estimated or accurate amount due
- On the specific date as communicated by either the insured’s PAS or producer

Prior to invoicing, the insured is required to report their actual exposure. This typically occurs every month.

Payment adjustments are often allowed to account for the difference between the estimated and the actual amounts due. For example, installment payments for Workers’ Compensation policies can be invoiced based on the insured’s payroll in \$100 increments. Because the payroll can fluctuate over time, the actual premium or installment charges cannot be unknown with certainty at the time the policy is bound. By reporting an insured’s actual exposure each month, the invoice charges can be more accurately calculated.

Direct Bill Lifecycle

With direct bill processing, the PAS sends a billing instruction to notify BillingCenter of the new premium reporting policy. The instruction specifies an estimated premium and a payment plan. In response, BillingCenter creates the policy and associates it with the payment plan. Subsequent charges and payments for the policy are processed according to the settings of the payment plan.

The PAS also sends a report to the insured that contains the insured's estimated exposure and expected payment. The insured must return the exposure report by a specified due date, either confirming the estimated exposure or stating their actual exposure. The PAS also informs BillingCenter of the report's due date by sending it a special billing instruction.

BillingCenter runs a **Premium Reporting Report Due** batch process that checks to see if any premium reports are past the report due dates. If no payment is received before the invoice date, BillingCenter invoices the insured on the account invoice date. If the report is not received by the payment due date, the batch process triggers a delinquency for non-reporting. BillingCenter sends the insured a notice of intent to cancel and, after 30 days, sends a policy cancellation request to the PAS.

When the report is returned, the PAS sends a billing instruction to BillingCenter with the billing period, payment due date, and the premium charges for that period specified. BillingCenter creates one or more invoices as determined by the policy's payment plan.

When payment is received, BillingCenter processes it and updates the appropriate T-accounts.

Agency Bill Lifecycle

With agency bill processing, the PAS sends a report to the insured that contains the insured's estimated exposure and expected payment. The insured must return the report by a specified due date, either confirming the estimated exposure or stating their actual exposure. The PAS also informs BillingCenter of the report's due date by sending it a special billing instruction.

BillingCenter runs a **Premium Reporting Report Due** batch process that checks for the report due dates. If the report is not received by the due date, the batch process triggers a delinquency.

When the report is returned, the PAS sends a billing instruction to BillingCenter specifying the billing period and payment due date. In response, BillingCenter sends a premium statement to the insured and the producer. If no payment is received before the payment date, BillingCenter places the charges on the producer statement. If no payment is received before the payment due date, the account enters delinquency for non-payment.

When payment is received, BillingCenter processes it and updates the appropriate T-accounts.

Managing Premium Reporting Payments

The following sections explain the processing of premium reporting payments.

Deposits

The PAS sends BillingCenter an initial estimated premium based on the estimated amount. BillingCenter calculates the down payment amount and invoices the insured based on the policy's payment plan.

Invoices

BillingCenter generates invoices based on the policy's payment plan for the following reasons:

- Informational purposes
- To bill the difference between the amount billed and the amount paid

If the policy is direct bill, the invoices are sent directly to the customer. If the policy is agency bill, the differences are shown on the agency bill statement.

Delinquencies

Delinquencies are triggered in two cases:

- A premium report billing instruction is not received by the due date. This is checked by the Premium Report Due Date batch process.
- A payment for a premium reporting charge is not received by the due date. In this case, any resulting delinquencies are handled by the standard delinquency mechanism.

Premium Reporting Auditing

Interim Audits

Interim audits may or may not result in a policy change. If there is no policy change, then BillingCenter takes no action. If there is a policy change, BillingCenter handles it like any other policy change. This situation could result in a change to the deposit requirement.

Final Audits

Final audits calculate a single value representing a policy's total expected value. Billing Center calculates the difference between the expected and the actual values, and generates an invoice for that amount.

When a policy is initialized with a closure status of OpenLocked, there will be a final audit on that policy. The Policy Closure batch process looks for Open policies, and the final audit sets the policy back to Open when it completes.

If a final audit occurs on a canceled policy, held charges caused by the cancellation may be encountered. If BillingCenter discovers such held charges, it releases the hold before the final audit calculation takes place.

Final audits are handled like a premium report. The following features apply:

- A parameter on the billing instruction flags whether the charges require a manual review. During the review, charges can be spread over multiple installments.
- The ability to override invoicing for a charge that has already been scheduled.

Cancelling Premium Reporting Policies

Upon receiving a cancellation billing instruction for a non-premium reporting policy, the policy's status is set to canceled. This causes all future invoices to collapse onto the next scheduled invoice. The billing instruction includes negated versions of all the policy's charges which cause the value of the policy to become zero. Subsequently, the policy is closed by the Policy Closure batch process.

In contrast, the cancellation of a premium reporting policy does not negate the policy's charges. Instead, outstanding charges are held so that the insured is not billed. The balance of the policy still goes to zero and can be closed by the Policy Closure batch process.

When a policy is canceled, non-auditable charges are refunded immediately. Auditable charges are refunded after the final audit.

Account Transactions

This topic discusses transactions you can create manually in BillingCenter.

This topic includes:

- “Working with Recapture Charges” on page 229
- “Working with Ad Hoc Credits” on page 230

Working with Recapture Charges

Use a *recapture charge* to get money back from the insured after an incorrect disbursement.

For example, an insured overpays a bill by \$45. You send a disbursement to the insured for \$45. However, the insured made the payment with a check the bank returns due to insufficient funds. You reverse the payment and the unapplied fund balance is now negative (\$45). You can then create a recapture charge to be placed on the next planned invoice. When the insured pays the recapture charge the unapplied fund is restored to a \$0 balance.

Creating a Recapture Charge

To create a recapture charge:

1. Go to the **Account Summary** screen for the account in question.
2. From **Account** → **Actions** → **New Transactions** → **Recapture** → **New Recapture Wizard**, choose the **Category Recapture** for the **Target account**.
The **Category** drop-down allows you to choose from a list of recapture charge patterns. By default, BillingCenter only ships one **Recapture** charge pattern. If you have configured additional recapture charge patterns, they are included in the **Category** drop-down.
3. Enter the amount you want to recapture.
4. Click the **Finish** button to complete the process.

How the BillingCenter Accounting Structure Handles Recapture Charges

The sole purpose of a Recapture Charge is to bring the Unapplied T-account from a negative amount to zero. A Recapture Charge transaction for a negative amount is not allowed. Nor can a recapture charge be reversed.

Recapture debits the Recapture Expense and Recapture Unbilled T-accounts and credits the Recapture Reserve and Recapture Revenue T-accounts using the Recapture Charge transaction.

If the item for the charge is billed, recapture moves funds from the Recapture Unbilled T-account to the Recapture Billed T-account using the Recapture Charge transaction. When you receive a payment for the charge, BillingCenter takes the funds from the Cash T-account and moves it to the Unapplied T-account using the Direct Bill Money Received transaction.

If the payment is reversed, the recapture charge is still due. BillingCenter uses the Recapture Paid From Account transaction to move those funds.

Working with Ad Hoc Credits

An ad hoc credit allows a carrier to return funds to an insured by placing the money in the unapplied fund. You can create credits to allow for goodwill gestures, interest expenses, collections agency fees, and other reasons. The credit types are:

Reason	Description
Goodwill	Allows a carrier to provide a small compensation to an insured for a disputed charge by issuing a credit that can either be disbursed or applied to the insured's charges.
Interest	Allows a carrier to pay interest on cash held as collateral.
Collections	Adjusts net cash received from a collection agency so that it matches the amount of gross receivable held.
Other	Allows flexibility to handle other use cases.

The CreditType property is stored on the Credit entity. The CreditType type list is not extendable.

Permission for Ad Hoc Credits

A BillingCenter user must have the following permission to create or reverse ad hoc credits:

Permission	Code	Description
Create or reverse ad hoc credit	adhoccredit	Permission to add or reverse ad hoc credit

Authority Limits for Ad Hoc Credits

Depending on your authority, you may need an approval to create or reverse an ad hoc credit for an amount that is above your authority limit. Each credit type has two authority limits, so you must either have the appropriate authority or get the approvals. For example, Goodwill has the following two authority limits:

- Goodwill Credit
- Goodwill Credit Reversal

If you create an ad hoc credit for an amount over your authority limit, BillingCenter creates an approval activity and assigns it to a supervisor. The credit cannot be distributed until it is approved.

Creating an Ad Hoc Credit

To create an ad hoc credit:

1. From Account → Actions → New Transactions → Credit → New Credit Wizard, select the Credit Type from the drop-down list. For example, choose the Goodwill option.
2. If the account has more than one unapplied fund, choose which unapplied fund will be credited from the Unapplied Fund drop-down list.
3. Enter the credit Amount and click Next.
4. Click Finish to create the credit and complete the process.

For example:

Because of an issue with the selected account, you choose to create a Goodwill credit for \$100.00. This process debits the Goodwill Credit T-account for \$100.00 and credits the selected unapplied fund T-account with \$100.00. A Goodwill Expense transaction moves funds to the selected unapplied fund T-account.

Note: If you try to create a credit that exceeds your authority limit, you will see an alert message telling you that the activity requires an approval.

Viewing an Ad Hoc Credit

To view the newly created ad hoc credit:

Go to the Unapplied Funds section of the Account Summary screen for the relevant account to see the \$100.00 credit.

To view the status of an ad hoc credit activity that requires an approval:

Go to Desktop → Approval Statuses → Approval Statuses screen.

Reversing an Ad Hoc Credit

Reversing an ad hoc credit reverses the original credit, debits the unapplied T-account, and credits the Goodwill Credit T-account. A Goodwill Expense transaction moves the funds back to the to the Goodwill Credit T-account. If the credit reversal is over your authority limit BillingCenter creates an approval activity. See “Authority Limits for Ad Hoc Credits” on page 230 for details.

Creating an Ad Hoc Credit Reversal

To reverse an ad hoc credit

1. From Account → Actions → New Transactions → Credit Reversal → Credit Reversal Wizard, select the Credit Type from the drop down menu. For example, choose the Goodwill option.
2. Search for the credit you want to reverse or enter the information in the Wizard and click Next.
3. Click Finish to reverse the credit and complete the process.

To verify that the ad hoc credit reversal succeeded

Go to the Unapplied Funds section of the Account Summary screen to verify that the credit is gone.

Trouble Tickets and Holds

This topic describes how to use trouble tickets and holds to manage and resolve customer issues. Trouble tickets are part of the exception handling process in BillingCenter and can be opened at the account, policy, or producer level. They are intended to track the process used to resolve issues customers raise about their accounts. For example, a customer calls her insurance company's billing center to dispute a charge on her bill. An investigation reveals that the charge in question was performed on the wrong account. The trouble ticket is connected to both accounts (the one that was incorrectly charged and the one that *was supposed to be charged*) to monitor and ultimately resolve the issue. Holds block automated system behavior while billing problems are investigated and corrected.

This topic includes:

- “Trouble Ticket Overview” on page 233
- “Working with Trouble Tickets” on page 234
- “Trouble Ticket Escalation” on page 236
- “Closing a Trouble Ticket” on page 236
- “Trouble Ticket Holds” on page 236
- “Trouble Ticket Object Model” on page 238

Trouble Ticket Overview

Trouble tickets provide a mechanism for handling and tracking disputes in BillingCenter. You can log customer complaints, monitor situations, and resolve issues, much as a Help Desk department handles a company's IT complaints. You create trouble tickets based on an insured's inquiry or complaint, tie them to either accounts, policies, or producers, and track them until they are closed.

- An example of a trouble ticket that is attached at the *account level* is when a policy payment is accidentally applied to someone else's account.
- An example of a trouble ticket that is attached at the *policy level* is when an insured's payment for two policies is applied only to one policy. For example, two separate payments for an insured's auto and homeowners policies are applied only to the auto policy. This causes the insured's homeowner policy to appear delinquent.

trouble tickets have an owner who is the person assigned to or responsible for bringing the issue to a resolution. However, the owner is not the sole person who can monitor or support trouble ticket resolution. Multiple parties can be assigned tasks to expedite problem resolution.

Note: After a trouble ticket is closed, it cannot be reopened.

Trouble tickets are similar to activities. They provide a method for multiple users to track and escalate an issue. Also, they have a status, due date, and escalation date, and they are attached to a set of related entities.

Working with Trouble Tickets

This section discusses how to create and view trouble tickets:

- Creating and Viewing Trouble Tickets
- Using Gosu to Create or Edit a Trouble Ticket

Creating and Viewing Trouble Tickets

You can create, view, and assign trouble tickets in BillingCenter. To create, edit, or view trouble tickets assigned to you, navigate to the **Desktop** tab → **My Trouble Tickets**. To create or view trouble tickets related to an account, policy, or producer, navigate to the **Account**, **Policy**, or **Producer** tab. Then select **Trouble Tickets** to open the **Trouble Tickets** screen.

Examples in this topic refer to the most common route, from the **Desktop** tab. From the **Trouble Tickets** screen, you can select the appropriate ticket. You can view or edit the trouble ticket or create a new ticket by selecting **New**, which opens the New Trouble Ticket wizard.

Trouble Ticket Wizard

Through the Trouble Ticket wizard, you can:

- Select the type of dispute and the priority; enter details and complete **Date** fields
- Associate the trouble tickets to related entities: accounts, policies, or producers
- Enable any related transactions as needed
- Enable holds on selected accounts, policies, or producers
- Escalate or reassign issues to get quicker resolution
- Close trouble tickets when they have been resolved

Note: Holds are discussed further later in this section.

You can create a new trouble ticket in the five step Trouble Ticket wizard by describing the reported problem in the **Enter Information** section.

- Optionally, you can attach due and escalation dates.
- Next, link the trouble ticket to an account (or multiple accounts), a specific policy (or policies), or an associated producer in the **Select Related Entities** section. Linking the trouble ticket to an associated producer is useful for example, if the issue concerns commissions.
- In the **Holds** section of the wizard, you optionally check the type of hold required. You can go to “Trouble Ticket Holds” on page 236 to read in detail about the types of holds.
- In the **Transactions** section of the wizards, you can further target amounts in question by selecting T-accounts.
- Finally, in the **Confirmation** section, you assign the trouble ticket.
- You save the trouble ticket by selecting **Finish**.

Viewing a Trouble Ticket

To view an existing trouble ticket, you can narrow your search, based on the following filters:

- All Opened Owned
- New Opened (This Week)
- Closed in last 30 days
- Open Urgent

You can customize the filter type depending on your business requirements. Refer to the *BillingCenter Configuration Guide* for details on how to do this.

Two sections of the trouble ticket are editable: the main area and the tabs on the bottom of the screen. The following lists key fields that you can edit either on the **Trouble Ticket** and **Edit Trouble Ticket Details** screens:

Field/Button	Location	Description
Assign To	Trouble Ticket Details screen	Trouble tickets can be assigned or reassigned to an individual or group. Groups are defined in the Administration tab. Assignments can be made by the Default Group TroubleTicket Assignment Rules rule set, and are assigned either by round-robin or by user.
Add Account, Add Policy, Add Producer	Related Entities tab	You can search using multiple criteria for an account, policy, and producer. These entities are not tied together as there can be multiple accounts flagged. Selecting a related entity ties it to a selected hold type.
New Note	Notes tab	You can attach notes to the trouble ticket.
New Activity, New Shared Activity	Activities tab	<ul style="list-style-type: none"> • If an existing activity has passed the escalation date, you are notified by an icon next to the Due Date column. • Activities (like trouble tickets) have priority, due date, and escalation date fields that can be changed. • Selecting a Pattern from the drop down menu defines what type of activity it is. Guidewire provides examples such as: approval, locactivity (letter of credit activity), and notification. You can edit or create new patterns in the Administration tab by selecting the Activity Patterns link.
Edit Transactions	Transactions tab	Based on the flagged accounts and policies, you are able to further target specific T-accounts in question or remove them.
Edit Holds	Holds tab	It is only through the Trouble Ticket wizard that various hold types can occur in BillingCenter. Trouble Ticket Holds and their types are discussed further in this topic.

Trouble Ticket Alert Bar

When an account, policy, or producer is associated with a trouble ticket, an alert shows on the associated **Summary** screen. The alert notifies you that there is an open trouble ticket associated with the account, policy, or producer. Clicking the link in the alert takes you to the **Trouble Ticket** screen. If there is more than one associated trouble ticket, you will see a list of the trouble tickets. Click on the trouble ticket of interest to go to the **Trouble Ticket** screen and view the details of the trouble ticket. If you have the correct permissions, you can also edit the trouble ticket.

Using Gosu to Create or Edit a Trouble Ticket

You can use Gosu to create and edit trouble tickets. The `CreateTroubleTicketHelper` class simplifies the code you need to write to manipulate a trouble ticket.

Call the `createTroubleTicket` method to create a new trouble ticket. The following example is from a producer Preupdate rule:

```
var tt = new CreateTroubleTicketHelper().createTroubleTicket( Producer )
tt.Title = "Premium Billed vs Quoted"
tt.DetailedDescription = "Agent says premium charged is $90 more than original quote"
```

```
tt.autoAssign()
```

Note: The `TroubleTicket` class fields `CreateUser`, `UpdateUser`, `CreateTime`, and `UpdateTime` are for internal use only. The fields must never be assigned values. To assign a trouble ticket to its creator, use the `assignToCreator` method which `TroubleTicket` inherits from the `Assignable` class.

Trouble Ticket Escalation

In BillingCenter, you can prioritize and manage trouble tickets using the due date and escalation date fields. Although the due date and escalation date fields are not required, they are useful in knowing when a process is taking too long. In that case, you can escalate the process either through activities or reassignment. There is a batch process that checks for trouble tickets whose escalation date has passed. The `Escalated` property is set to true for any such trouble tickets found. An icon next to the trouble ticket link flags these items for escalation in the user interface.

Due Date

Use the Due Date field to specify a target date for completion of the trouble ticket. This actually means that you need to try to resolve the issue before the time specified in the Due Date.

Escalation Date

The **Trouble Ticket Escalation** batch process escalates trouble tickets which have reached or passed their escalation date. This batch process finds non-escalated trouble tickets with escalation dates on or before the current date, and sets the `Escalated` property set to true.

Closing a Trouble Ticket

When the issue is resolved, you can close the trouble ticket. As you close a trouble ticket, BillingCenter lets you know of any related open activities that will also be closed in the process. At this time, all associated holds are also closed.

Holds also can be closed if:

- They have an expiration date and the date is reached.
- The external system that created the hold closes it.

Trouble Ticket Holds

BillingCenter provides a method for stopping certain automated processing while an account or policy is in dispute. A *hold* blocks automated system behavior while a BillingCenter user investigates and corrects a billing problem. Most holds are associated with a trouble ticket. When you create a trouble ticket, you can select one or more hold types.

One usage of a trouble ticket hold occurs when a customer telephones to complain that she has received a bill in error for a late fee. The billing clerk creates a trouble ticket and places a hold on invoice sending. This action blocks the system from automatically sending additional bills to the already irate customer.

Note: Holds stop only *automated* notices from being sent out. You are still able to send manual notices as appropriate.

In addition to trouble ticket holds, BillingCenter supports *charge holds*. Refer to “Charge Holds” on page 247.

Creating a Trouble Ticket Hold

When you create a trouble ticket hold, you specify the hold type and the related entities on which to place the hold. Each of these elements are described in the following sections.

Trouble Ticket Hold Types

The supported trouble ticket hold types and their effective actions are described below.

- **Commission Payments:** Blocks commission that has been earned by the associated producer from moving from Commission Payable to Commission Paid.
- **Commission Policy Earnings:** Blocks commission for the associated producer from moving from Commission Reserve to Commission Payable.
- **Delinquency:** Halts the execution of the delinquency workflow process. When the trouble ticket is closed or the delinquency check box is cleared in the trouble ticket, then the delinquency process resumes from the place where it was stopped.
- **Disbursements:** Blocks automatic disbursements from an account or policy.
- **Invoice / Statement Sending:** Halts the sending of invoices (direct bill policies) or statements (agency bill policies). When an invoice for the associated account or policy becomes billed, any invoice items that are to be held are carried forward to the next planned invoice. The invoice fee is charged only if there are other invoice items on the invoice (for example, invoice items from another policy). The invoice is empty when there is only one policy on the account.
- **Payment Distribution:** Blocks the automatic distribution of payments for an account or policy. It also blocks automatic disbursements from the account or policy.

Related Entities

A trouble ticket hold can be associated with one or more related entities. A related entity can be an *account*, a *policy*, a *policy period*, or a *producer*. The related entities that a particular hold may be associated with depends on the hold type. For example, a disbursement hold may be associated with an account or a policy, but not a producer.

Effects of Trouble Ticket Holds

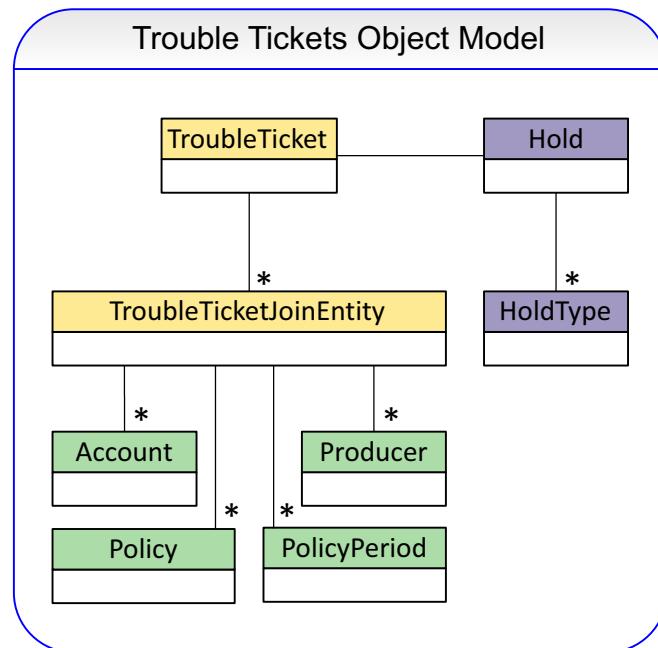
The BillingCenter base configuration enforces certain trouble ticket holds based upon the hold type and the hold's related entities. The effect of each enforced hold is described in the table shown below. Holds may be placed on other combinations of hold types and entities, but they will have no effect unless a custom configuration is implemented to enforce the hold.

Hold Type	Related Entity and Effect
Delinquency	Account: Halt the delinquency workflow process. Policy: Halt the delinquency workflow process on the current policy period. PolicyPeriod: Halt the delinquency workflow process on a selected period.
Invoice / Statement Sending	Account: Hold sending of invoices for a selected account. Policy: Hold the billing of invoice items for a selected policy. PolicyPeriod: Hold the billing of invoice items for a selected policy period.
Disbursements	Account: Hold automatic sending of any refunds for a selected account. Policy: If account uses policy-level billing with cash separation, hold automatic sending of any refunds for a selected policy. If account uses any other billing level, hold has no effect without custom configuration.
Commission Policy Earnings	Policy: Hold commission transfers for all policy periods of a selected policy. PolicyPeriod: Hold commission transfers for a selected policy period.

Hold Type	Related Entity and Effect
Commission Payments	Producer: Hold automatic commission payments to a selected producer from any policy
Payment Distribution	Account: Hold payment distribution from the targeted account to any children policies. Also block all automatic disbursements to the account. Policy: If account uses policy-level billing with cash separation, hold payment distribution to the targeted policy. Also block all automatic disbursements from the account. If account uses any other billing level, hold has no effect without custom configuration.

Trouble Ticket Object Model

The TroubleTicket has an array of join entities (TroubleTicketJoinEntities) that provide a relationship between the trouble ticket and accounts, policies, policy periods, and producers. The Hold entity has a one-to-one relationship (foreign key) to the TroubleTicket entity. So a trouble ticket hold is always tied to an existing trouble ticket and cannot exist on its own. Each Hold is associated with accounts, policies, policy periods, and producers through the TroubleTicketJoinEntity. The Hold entity has an array of HoldType objects. HoldType is an entity that indicates what kind of hold (such as an InvoiceSending hold or a Disbursements hold) and a date that specifies when to release the hold.



Producer Write-offs

Producer write-offs can occur for a variety of reasons. For example, a receivable is under collection, so the carrier decides not to pay commission to the producer. In this case, the carrier writes off the producer's commission reserve. A less common example occurs when a carrier decides not to collect commission that the producer owes because of a return premium. In this case, the carrier does a commission recovery write-off to clear negative commission reserves.

This topic includes:

- “Viewing Producer Write-offs” on page 240
- “Reversing Producer Write-offs” on page 240
- “Understanding the Write-off Amount” on page 240

There are various types of producer write-offs in BillingCenter. The following table lists producer write-off types and explains how BillingCenter determines that a producer is associated with a particular write-off:

Write-off Type	Description	Association Changes if Payer Reassigned	Billing Method
ItemCommissionWriteoff	Write-off that resulted in a change to producer's item commission reserve.	no	Agency Bill
ItemGrossWriteoff	Write-off of gross amount of producer's agency bill item.	yes	Agency Bill
ChargeCommissionWriteoff	Write-off where at least one invoice item charge's default payer is the producer.	no	Both
ChargeGrossWriteoff	For <i>pending</i> write-off: Write-off targets a policy period where default payer is the producer. For <i>executed</i> write-off: Write-off where at least 1 invoice item has same payer as charge's default payer.	yes	Direct Bill
Any producer Unapplied write-off	Write-off from producer's Unapplied T-account.	n/a	Both

Viewing Producer Write-offs

To view a producer's write-offs, with a producer active from the **Producer** tab, from the sidebar, select **Write-Offs**.

The Write-Offs screen includes write-offs associated with a producer, not just agency bill write-offs. The screen enables the following operations.

- View the producer's write-offs
- Reverse the producer's write-offs

The listed write-offs can be filtered based on the write-off's status and creation date.

- The **Filter By Status** setting filters write-offs based on the status, such as **Pending**, **Executed**, or **All**.
- Write-offs can also be filtered by their creation date, such as within the last 30, 60, or some other number of days. New creation date options can be defined in configuration. See “Defining a New Creation Date Filter” on page 450 in the *Configuration Guide*.

Reversing Producer Write-offs

Every write-off that can be reversed has a **Reverse** button in the left most column of the producer **Write-Offs** screen. This button is visible if you have producer **Write-Offs** screen edit (`prodwriteoffsedit`) permission.

For pending reversals waiting for approval:

- The **Reverse** button remains available for a write-off that is currently pending reversal. This button must be available in case a subsequent user has permissions that allow them to reverse the write-off immediately rather than waiting for approval.

If the current user reverses a write-off that is pending approval because another user initiated a write-off, the result is as follows:

1. The open approval activity for the pending write-off reversal is closed as obsolete.
2. The write-off is reversed.

Understanding the Write-off Amount

The BillingCenter user interface presents the point of view of the carrier when deciding whether a write-off amount is positive or negative. A *positive* write-off is an expense for the carrier. It is money that the carrier does not expect to receive from the producer. A *negative* write-off is a credit. It is money that the carrier does not expect to pay the producer.

The following cases are examples of positive and negative write-offs:

Positive – A producer underpays by a trivial amount. Collecting such a small amount is not worth the cost of processing, so the carrier does not collect this money from the producer. The producer owed this money to the carrier, so the amount written off is positive from the carrier's point of view.

Negative – A producer overpays by a trivial amount. Paying such a small amount is not worth the cost of processing, so the carrier does not send this money to the producer. The carrier owed this money to the producer, so the amount written off is negative from the carrier's point of view.

Account Funds Tracking

Customer service representatives often have difficulty in making sense of the flow of funds through the system when they need to respond quickly to requests from insureds. The challenge is in using transactional data to understand how BillingCenter has aggregated, directed, and redirected money for various uses. Funds tracking simplifies and consolidates transactional data, thus providing a clear overview of the flow of money. Customer service representatives can view the history of where funds came from and how they were used.

This topic includes:

- “Funds Tracking Basics” on page 241
- “Payment Item Groups” on page 244
- “Enabling or Disabling Funds Tracking” on page 245
- “Funds Tracking Configuration” on page 246

Funds Tracking Basics

Funds tracking is completely independent from other parts of BillingCenter, and it can be enabled or disabled without affecting any other functionality. If funds tracking is disabled, it does not appear anywhere in the user interface.

This topic assumes that the funds tracking feature is enabled. If it is disabled and you would like to use it, talk to your system administrator about enabling this feature. See “Enabling or Disabling Funds Tracking” on page 245 for more information.

Funds tracking answers questions such as:

- Which payment applies to which policy?
- Where did the cash for paying this item come from?
- How was this disbursement funded?

Funds Tracking Scope

The funds tracking feature shows how funds are used within a single account. BillingCenter does not track funds that are transferred in or out of the account to the origin or destination of the funds outside of the account.

Suspense payments are not included in funds tracking because they are not associated with an account. Once a suspense payment is applied to an account it is included in funds tracking the same as any other payment. There is no special notation in funds tracking to indicate that it was originally a suspense payment.

Suspense items are shown as unallotted. Although the suspense item funds are moved to the account's T-account Suspense, that is not treated as a funds use. The funds remain unallotted until they are released and applied to a specific charge.

Funds tracking provides a high level view of the flow of funds through the account. Because funds tracking is independent of other BillingCenter features, it can be turned off without affecting core billing processes. Funds tracking data is an informal summary and not intended to be used as input to other components.

Funds Sources

A *funds source* is money that enters the account, such as a payment, a credit, or any transaction that adds money to an unapplied T-account.

Funds Source Types

Type	Description
Account Balance Forward	BillingCenter creates a funds source of this type if there is a <i>positive</i> balance in the unapplied T-account when funds tracking is enabled.
Ad Hoc Credit	All types of ad hoc credits.
Collateral Drawdown	Money moved from T-account Collateral to unapplied T-account .
Direct Bill Money Received	Direct bill payment.
Funds Use Reversal	Reversal of any funds use type.
Payment Item Group	Money applied to a group of invoice items. Payment Item Group is a funds source if the total of the invoice item amounts is <i>zero or negative</i> .
Transfer In	Money transferred into the account, such as from a producer or another account.

Funds Uses

A *funds use* is money that is consumed for a specific purpose, such as a disbursement, invoice item paid, or any transaction that uses money from the unapplied T-account .

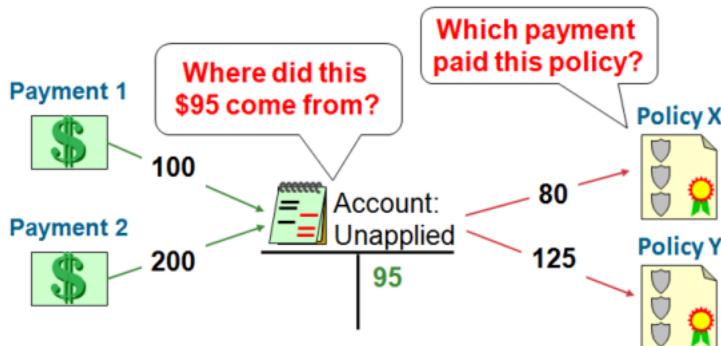
Funds Use Types

Type	Description
Account Balance Forward	Used if there is a <i>negative</i> balance in the unapplied T-account when funds tracking is enabled.
Disbursement	Money disbursed to a payer.
Funds Source Reversal	Reversal of any funds source type.
Negative Write-off	Money that the carrier is not going to refund to the payer.
Payment Item Group	Money applied to a group of invoice items. Payment Item Group is a funds <i>use</i> if the total of the invoice item amounts is <i>positive</i> .
Transfer Out	Money transferred to a producer or another account.
Collateral Transfer (DEPRECATED)	For upward code compatibility with pre-7.0 releases. The collateral transfer transaction is deprecated. Use collateral payment items instead.

Allotment

Allotment is the assignment of funds uses to funds sources. A funds source is allotted to one or more funds uses, and a funds use can have one or more funds sources.

For example, an insured makes two payments to an account, for \$100 and \$200, but the payments are not immediately distributed. Later, the payments are distributed to two policies, paying \$80 for premium on Policy X and \$125 on Policy Y.



On entering the **Funds Tracking** screen, you see two **Payment Received** funds sources:

Funds Tracking			
Funds Sources	Funds Uses		
Unapplied fund *	Default		
Funds Source	Event Date ↓	Unallotted	Total
Payment Received	11/17/2013	\$95.00	\$200.00
Payment Received	11/17/2013	-	\$100.00

Click **Payment Received** for the \$100.00 payment to see how that money was used:

Source of Funds Return to Funds Tracking			
Payment Received on 11/17/2013 for \$100.00			
Event	Event Date	Amount	
Policy PP-Room-197-Chis...	11/17/2013	\$80.00	
Policy PP-Sesquipedalian...	11/17/2013	\$20.00	
Unallotted		-	
Total		\$100.00	

- \$80 of the \$100 is allotted to a payment on Policy X.
- \$20 of the \$100 is allotted to a payment on Policy Y.

Click **Return to Funds Tracking**, and then click **Payment Received** for the \$200.00 payment to see how that money was used:

Source of Funds Return to Funds Tracking			
Payment Received on 11/17/2013 for \$200.00			
Event	Event Date	Amount	
Policy PP-Sesquipedalian...	11/17/2013	\$105.00	
Unallotted		\$95.00	
Total		\$200.00	

- \$105 of the \$200 is allotted to a payment of \$125 on Policy Y.
- \$95 is unallotted, because the remaining amount from the second payment has not yet been used and remains in the account's Unapplied T-account.

The BillingCenter base configuration performs allotments in phases:

1. BillingCenter allots any reversals to the funds source or funds use that was reversed.
2. BillingCenter allots the oldest available funds source to the oldest available funds use. Matching continues until all funds sources are allotted or until there are no more funds uses.
3. Any funds sources or funds uses that remain are unallotted.

Allotment Timing

Funds allotment is done the when you enter the **Funds Tracking** screen. You can also schedule the **FundsAllotmentBatchProcess** to run regularly. If you access funds tracking data programmatically rather than through the user interface, schedule this batch process to run before you extract data.

Payment Item Groups

A payment item group is a way to organize related payment items. Payment item groups simplify the view of funds sources and funds uses. Rather than showing each individual payment item, a related group of items are shown together as one item on the funds source or funds use tab. This allows the **Funds Tracking** screen to show a simplified list of funds sources and uses. For example, a direct bill payment would be shown on the Funds Uses tab as a single payment item group, even if the payment applied to multiple invoice items.

Payment items each have an implicit action of either **execute** or **reverse**. A payment item group can be a funds source or funds use, depending on the total of the item amounts. If the sum of all the items in the payment item group is zero or negative, the payment item group is a funds source. If the sum of all the items in the payment item group is positive, the payment item group is a funds use.

If you click a payment item group in the funds source tab, BillingCenter shows the payment item group with each of the funds uses. The payment item group is shown at the top of the page. You can click the payment item group to display the list of payment items it contains. Similarly, if you click a payment item group in the Funds Use tab, BillingCenter shows the payment item group with each of the associated funds sources for that group.

For example, this funds use is a payment item group:

Use of Funds [Return to Funds Tracking](#)

Policy PP-Sesquipedalian-195-Triangle-1 Paid on 11/17/2013 for \$125.00

Event	Event Date	Amount
Payment Received	11/17/2013	\$20.00
Payment Received	11/17/2013	\$105.00
Unallotted		-
Total		\$125.00

If you click the name of the payment item group at the top (in this case, Policy PP-Sesquipedalian-195_Triangle-1 Paid on 11/17/2013 for \$125.00), the individual items will be shown:

Payment Item Group Details [Return to Use of Funds](#)

Payment Item Group Unapplied fund Default paid \$125.00 on 11/17/2013 to items because of Policy Period Paid

Associated Policy Period PP-Sesquipedalian-195-Triangle-1

Invoice #	Invoice Date ↑	Invoice Due Date	Owner	Type	Invoice Item Amount	Paid Amount
10000000161	12/01/2013 (Planned)	12/15/2013	Coffee-192-Gemsto...	Down Payment	\$100.00	\$100.00
10000000162	01/01/2014 (Planned)	01/15/2014	Coffee-192-Gemsto...	Installment	\$90.00	\$25.00

In this case, you can see that the payment of \$125.00 was allotted to two separate invoice items. The way BillingCenter groups payment items together is configurable. In the base product, BillingCenter groups items according to the T-account owner of the charge and payer account.

Enabling or Disabling Funds Tracking

Funds tracking is designed to be enabled once and then to remain enabled indefinitely. A method to disable funds tracking is provided, but a subsequent re-enabling of funds tracking is not recommended.

By default, funds tracking is disabled when running the BillingCenter server in production mode. When the server is in development mode, funds tracking is enabled by default. Server modes are described in “Server Modes and Run Levels” on page 56 in the *System Administration Guide*.

To enable or disable funds tracking, perform the following steps.

Note: Do not enable funds tracking while performing a BillingCenter upgrade or conversion operation. Instead, complete the upgrade/conversion process and then enable funds tracking.

1. Determine the BillingCenter server run level. Follow the instructions described in “Determining the Server Run Level” on page 58 in the *System Administration Guide*. Remember the server run level so it can be restored after enabling or disabling funds tracking.

2. Set the BillingCenter server run level to maintenance. This is necessary so other processes do not attempt to enter transactions while the funds tracking system is initializing. To set the server run level to maintenance, refer to “Setting the Server Run Level” on page 58 in the *System Administration Guide*.
3. Shut down all other instances of BillingCenter. Only BillingCenter with the server run level of maintenance can be running.
4. Press Alt+Shift+T to display the **Server Tools** tab. The user must have `internaltools` permission to view the **Server Tools** tab. The **Superuser** role has this permission by default.
5. In the Sidebar, select **Funds Tracking**.
6. Click the button to either **Enable** or **Disable** funds tracking.
7. Restore the original BillingCenter server run level saved in Step 1. Instructions on setting the server run level are described in “Setting the Server Run Level” on page 58 in the *System Administration Guide*

Funds Tracking Configuration

Requirements vary from carrier to carrier. For this reason, BillingCenter provides several configuration points for adapting funds tracking to your requirements through the `IFundsTracking` plugin interface. The plugin controls how BillingCenter:

- Aggregates payment items into payment item groups.
- Allots funds sources to funds uses.

The default configuration of BillingCenter includes an implementation of the `IFundsTracking` plugin that implements the default funds tracking behavior. To modify the default behavior, modify or replace the `FundsTracking.gs` default implementation.

For more information, see “Funds Tracking Plugin” on page 198 in the *Integration Guide*.

Charge Holds

This topic explains how BillingCenter handles charge holds. Charge holds allow you to withhold charges from invoices for disputed charges without creating a trouble ticket. The charge hold can remain in effect while the disputed charge is being investigated. Use charge holds to prevent your customers being billed for charges that they disputed, penalized with late fees, or going delinquent for the disputed charges.

In BillingCenter, there are two types of holds that you can use to affect automated processes: trouble ticket holds and charge holds. This topic deals with charge holds only. For more information on trouble ticket holds, see “Trouble Tickets and Holds” on page 233.

This topic includes:

- “Charge Holds Overview” on page 247
- “Working with Charge Holds” on page 248
- “Monitoring Charge Holds” on page 250
- “Releasing Charge Holds” on page 251

Charge Holds Overview

Charge holds prevent BillingCenter from continuing to bill the insured, charge late fees, or apply a delinquency to an account for any disputed charges that appear on an invoice. Charge holds ensure that the insured will not be penalized while the dispute is being investigated and prevents the insured’s account from becoming delinquent during that period of time. You can place the charge hold on any or all of the disputed charges on the billed invoice. The insured will not be penalized for not paying any of those charges as long as the charge hold is in effect.

For example, if an insured disputes a bill, claiming that the billed amount is either too high or invalid, you can create a charge hold for that billed amount. This causes BillingCenter to change the status of the amount from the **Billed** to the **Unbilled** and pushes the invoice item off the **Billed** invoice onto a future **Unbilled** invoice. The amount will remain in the unbilled state while the dispute is investigated. Once the investigation is complete and a determination is reached, BillingCenter will change the state of the charge and make any necessary adjustments to the account.

BillingCenter has three primary uses for charge holds:

- Charge holds on a premium charge on one or more policies on an account (for example, a premium)
- Charge holds on a policy change
- Charge hold on an Account-level charge (for example, late fees)

Working with Charge Holds

In BillingCenter, you can create, apply, and monitor charge holds. When a customer disputes an invoice charge, you can create a charge hold that you apply to the disputed amount. The charge hold remains in place while you investigate the dispute. BillingCenter creates a new invoice for the insured without the disputed amount. Once the investigation is complete, you can release the charge hold and billing for the account can proceed normally. Depending on the outcome of the investigation, the insured's premium amount will be reduced or the next invoice statement will include the disputed amount.

Although the amount in question may be an invoice item on the insured's invoice, in BillingCenter charge holds apply to charges, not to individual invoice items. Consequently, charges never appear directly on an invoice. Instead, during the invoicing process, BillingCenter separates every charge into one or more invoice items. Every line on an invoice statement represents either one charge, a portion of a charge, or a collection of charges.

For more information on invoicing, see "Charge Invoicing Process" on page 181.

View the list of invoice items that BillingCenter associates with the account from **Account → Invoices**. This screen also tracks the status of each item, including:

- Items that have been billed, but not yet paid
- Items that have been billed and paid
- Items that have been billed and are now due
- Items that have been billed and are now past due
- Items that are planned and will be billed in the future

The list of invoice charges at the bottom of the **Invoices** screen tracks items billed during a particular statement period. This includes the invoiced item in question, listed by event date, policy, category, context, description, and amount. This information is used to create the actual invoice statements that are sent to the insured.

When to Use Charge Holds

The following is an example of charge hold usage:

An insured has an account with two policies: Policy A and Policy B. Each month an invoice is sent to the insured that details any invoice items for both policies and for any changes that may apply directly to the account. The insured contacts you to complain that an amount on his/her latest invoice statement is incorrect and that the premium installment for Policy A is too high. You inform the insured that the disputed amount will be investigated. While the dispute is investigated, you create a charge hold and apply it to the premium charge.

Creating and Applying a Charge Hold

Use the following instructions to create and apply a charge hold:

1. From **Account → Invoices**, view the list of invoice items for the account.
2. Locate the disputed invoice item and note the charge associated with it.
3. Click the **Charges** menu item.
4. On the **Charges** screen, check the box next to the charge on which you want to place the hold, and click **Edit Holds**.

5. On the **Charge Holds** screen, change the **Hold Status** to **Held**.

6. Click **OK** to confirm that you want to place the charge on hold.

Applying a charge hold causes BillingCenter to immediately find all Invoice Items associated with the held charge that have been billed, but are not yet due. These are items for which an insured has been sent a bill for a charge that is not yet due.

This action reverses the invoiced item's status to the **Unbilled** state. It now appears on the **Invoices** screen as a item on an invoice with a **Planned** status.

During this charge hold process, BillingCenter uses *onset/offset* charges to handle charge hold items as follows:

- Leaves **Paid** invoice items alone. They are not affected by charge holds and these items remain untouched.
- Handles **Billed** or **Due** invoice items as follows:
 - Creates an offset charge to remove the invoice item from the **Billed** or **Due** invoice.
 - Creates an onset charge places the held item on the next **Planned** invoice.
- Leaves **Planned** invoice items untouched until they become **Billed**. At that time, BillingCenter does the following:
 - Creates an offset charge to remove the invoice item from the now **Billed** invoice.
 - Creates an onset charge places the held item on the next **Planned** invoice.

Revising the Invoice

When BillingCenter creates the next **Billed** invoice, it checks first to see if there are any invoice items on the invoice that are associated with the held charge. If there held charges, BillingCenter will not change the status of those invoice items to *Billed*. Any invoice items with charge holds will be pushed forward to the next invoice. The BillingCenter batch processes that handle invoice changes are:

- The *Invoice* batch process changes the status of planned invoices whose billing date has passed to **billed**. This changes sends the invoices to the account.
- The *Invoice Due* batch process changes the status of billed invoices whose due date has passed to **due**. A delinquency will be triggered for any polices with past due amounts.

See “Charge Invoicing Process” on page 181 for details on creating invoices and invoice items, and “Delinquency Plans” on page 127 for details on delinquency plans and delinquent accounts.

Charge Hold Permissions

As with other tasks in BillingCenter, you need to be assigned a role that has permission to create or release charge holds. Without the **Create Charge Holds** (`chargeholdcreate`) and **Release Charge Hold** (`cChargeholdrelease`) permissions, the **Hold** and **Release** buttons will not appear on the Charge screen. In BillingCenter, permissions are assigned to roles, and then the appropriate roles are assigned to each user. For example, users who needs to create charge holds would be assigned the role that has this permission or this permission would be assigned to the user's already existing role.

Screen permissions control access to a particular screen (section of a page) of the application. With proper permission, an administrator may create new screen permissions, collect them into groups (roles), and assign roles to users. A *role* is a collection of permissions that define what *actions* a user is allowed to perform. By grouping permissions into roles, a user's authority can be precisely defined by a few assigned roles, rather than by a much larger list of permissions. Users can have any number of roles based on the BillingCenter work they must perform, but they must be assigned at least one role.

For more information on assigning permission and roles, see “Users, Groups, and Roles” on page 383

Effect of a Charge Hold

The following example explains what happens when the charge hold is created:

The insured has two policies: the first invoice for this account is billed and sent to the customer. Policy A has the following invoice items: \$300 for a one-time tax charge and a Premium installment invoice item of \$1200. Policy B has a one-time tax charge for \$200 and a deposit invoice item of \$800. This is for a total of \$2500 in invoiced charges. After the insured complains that the \$1200 premium installment needs to be \$1000, you apply the charge hold to that premium charge. You then tell the insured to send in a payment for the remaining \$1300. Once the charge hold is applied, BillingCenter will accept the \$1300 payment and revert the disputed \$1200 invoice item to the *planned* (unbilled) state.

Monitoring Charge Holds

You can quickly monitor the status of any charge holds associated with any of the accounts that you manage as follows:

- By searching for accounts that have charge holds.
- By viewing the account or policy **Summary** screen of a specific account to see if a charge hold is associated with the account.

Charge Holds and the Alert Bar

The **Alert Bar** appears at the top of either the account or policy **Summary** screen when there is relevant information to convey about the account or policy. For example if the account has held charges, the **Alert Bar** will appear on the account **Summary** screen to notify you that the account has held charges.

Searching for Charge Holds

You can easily monitor the status of held charges for the accounts that you handle by searching for accounts that have held charges. If the dispute has not been resolved and the charge hold has not been released, the account will show up in the results list.

To search for accounts that have at least one charge hold, from the account **Summary** screen, select **Yes** for the **Must Have Charge Holds** option. The charge hold could be on either the account (for example, late fees) or on one of its children policies (for example, premiums)

The result of the search is a list of accounts with charge holds that appears in the details area of the screen. Select one to view that account's **Summary** screen.

Note: When the next statement of billed invoice items is created, BillingCenter checks to see if there are any invoice items that are associated with the held charge. If any exist, BillingCenter will not change the status of those items to billed. Instead, it will push those items to the next planned/future invoice. If no future invoice exists (for example, the charge is for the last invoice item on the account), BillingCenter will create a new planned invoice. It then pushes the invoice items associated with the charge hold onto that invoice.

An invoice item whose state is changed by a charge hold from *billed* to *planned* shows up on the **Invoice** screen as a **Planned** (unbilled) charge. However, it has the original event date it had when it was on the billed invoice. The item will remain unbilled until you release the charge hold. During the hold period, you can track the **Status** of invoices containing invoice items relating to the held charges using the **Charge Holds Search** option. If any remaining installments are invoiced incorrectly, then a charge hold is applied to them before they become due. You can monitor the status of any invoice items associated with the held charges on the **Invoice** screen.

Releasing Charge Holds

Once you resolve the insured's complaint about the disputed amount, you can release the charge hold.

Releasing a Charge Hold after a Valid Complaint

Suppose the insured was being charged too much for the policy premium. The billing clerk has determined that the \$1000 charge amount needs to be reduced by \$200 to \$800. In this case, the policy administration system sends a Policy Change billing instruction for -\$200 to reduce the amount of the charge. The billing clerk releases the hold on the charge. The change shows up on the policy's **Summary** screen as an unbilled policy change.

It is also possible for the billing clerk to issue a policy change directly from the BillingCenter application.

To Make a Policy Change Manually

1. From the policy's **Summary** screen, select the **Change Policy** item from the left menu.
2. Enter the effective date and a description of the change on the first page of the **Policy Change Wizard** and click **Next**.
3. Choose the type of policy change, enter a minus sign and the amount, and click **Add**.

Note: When you create a negative policy change, BillingCenter spreads the amount over any remaining installment payments. You will not be allowed to make any negative policy changes to the deposit amount. However, the negative policy changes will affect any invoice items which have a **Billed** or **Planned** status, but the change will not affect any items that have a **due** status. So, if a customer receives an incorrect invoice statement that is changed and resent, the revised bill, which will include a billed amount, and also the policy change amount. The invoice item date must be older than the invoice date. If the invoice item date is later than the policy change date, then BillingCenter spreads the amounts due over the remaining invoices.

You can now manually resend the invoice from the **Invoices** screen.

Releasing a Charge Hold after an Invalid Complaint

If the insured's complaint is not valid, simply release the charge hold. This resumes the normal billing process for the affected account. Any invoice items associated with charges that were held during the investigation will now appear as invoice items on the insured's next invoice statement.

To Release a Charge Hold

1. From the **Charges** screen for the account, check the box next to the held charge and click **Edit Holds**.
2. On the **Charge Holds** screen, select **Not Held** from the **Hold Status** drop down.
3. Click **OK**.

Collateral Handling

This topic covers *collateral*. Collateral is an additional asset or amount that a carrier can require an account holder to pay to secure coverage for a policy. This additional amount mitigates the risk to the carrier of offering the policy to the account holder.

This topic includes:

- “Collateral Overview” on page 253
- “Collateral Types” on page 254
- “Collateral Requirements” on page 256
- “Creating a Collateral Requirement” on page 257
- “Working with Collateral” on page 258
- “Allocating a Payment to a Collateral Requirement” on page 262
- “Policy Cancellation with Collateral Deposit” on page 262
- “Collateral Related Processes” on page 262

Collateral Overview

Collateral is an amount of money or a guarantee of some kind that an account holder provides to the carrier. It is a surety against future nonpayment of premium or delinquency of an account or policy. The carrier uses it to guarantee the payment of the premium. If the account holder does not pay the premium (and any other additional fees) owed to the carrier, the carrier can take ownership of the collateral.

The carrier holds the collateral for the duration of the policy term. At the end of the policy term:

- The carrier can return the collateral if the account holder has paid all premium and fee amounts.
- The carrier can carry the collateral over to the next term if the policy holder renews the policy.

A carrier can require collateral for an account holder for any of the following reasons:

Collateral requirement	Comment
Financial history	The account holder does not have a strong financial statement. For example, a new company cannot provide the length of financial history required by the underwriter.
Deductible billing	A carrier can require the policy holder of a policy with deductibles to provide either a letter of credit or collateral cash. This allows the carrier to draw upon these if it fails to recover the required deductibles from the insured.
Loss sensitive policies	In certain cases, the policy premiums that are billed are not the final premiums for the policy. It can be necessary to recalculate the premiums based on losses that occur before or after the expiration of the policy term. As this calculation occurs after the policy ends, the carrier can require a collateral deposit to ensure that there is no difficulty in collecting the balance.
Policy audits	In certain cases, a policy can require a final audit. This can require, for example, the payment of an additional sum of money. This can also be a payment back to the insured if the premium is less than originally estimated.

The underwriter determines whether a policy or account requires additional collateral for either an issuance or renewal and determines the collateral requirements including:

- The collateral amount
- The type of collateral expected
- The date by which the account holder must provide the collateral payment (the *effective date*)
- The date on which the carrier no longer applies the collateral amount to the account (the *expiration date*).

The carrier usually requires that the account holder to provide the collateral payment before the policy goes into effect. In some cases, however, the carrier can agree to invoice the account holder for the collateral amount. The collateral requirements specified by the underwriter determine the collateral type that the account holder must use to make payment.

See also

- “Collateral Types” on page 254
- “Collateral Requirements” on page 256
- “Creating a Collateral Requirement” on page 257

Collateral Types

After an underwriter makes the determination that a policy or account requires collateral, the producer conveys this information to the account holder. The account holder is then responsible for meeting the collateral requirements. The underwriter can require or allow the collateral requirement to be met with any of the following:

- A cash amount
- A letter of credit (LOC)
- A combination of cash and letter of credit

The account holder can either provide the collateral immediately or wait until BillingCenter generates an invoice for the collateral amount. If the collateral requirement is all cash, then BillingCenter can invoice for the collateral amount. BillingCenter automatically generates charges for cash collateral requirements only. However, it is possible to separately create a charge that BillingCenter can invoice for fulfillment. For example, you can do this with a mixed collateral requirement (both cash and letter of credit).

Every collateral requirement requires an effective date, which is the date by which the account holder must meet the requirement. If the account holder does not meet the collateral requirement by the requirement effective date, then the account becomes non-compliant.

You can instruct BillingCenter to bill a cash collateral charge against one invoice, or to bill the collateral charge against multiple invoices, by overriding the default invoice treatment. The generated invoice shows separate line items for each portion of the collateral deposit. After BillingCenter receives a payment, it applies the collateral payment to the required collateral type.

Note: To view collateral information in BillingCenter, you must have authority to handle letters of credit.

Segregated Cash Collateral

BillingCenter gives you the option of segregating (setting aside) the money for a cash requirement. This can be necessary, for example, if there are legal or contractual restrictions on what the carrier can do with certain pools of money. It can also be important in determining whether a particular account is compliant.

BillingCenter places the money for a segregated cash requirement in a special T-account to keep the money separate from the other collateral requirement monies. As it does for the other cash collateral requirements, BillingCenter creates Journal and Ledger entries for segregated cash requirements.

Automatic payment allocation. If BillingCenter applies a payment to collateral, it gives priority to the segregated cash requirements over the non-segregated cash requirements. BillingCenter fulfills the unmet amounts of the segregated cash requirements before attempting to fulfill the unmet amounts of the non-segregated cash requirements.

Automatic cash allocation. BillingCenter automatically transfers unallocated cash to a collateral requirement under the following conditions:

- A sum of unallocated cash exists.
- There are unmet cash collateral requirements (either segregated or non-segregated).
- The collateral requirement is active (the effective date for the given collateral requirement is in the past).

BillingCenter transfers money into non-segregated cash requirements *before* moving money into segregated cash requirements.

Manual cash allocation. If BillingCenter automatically moves money to a non-segregated cash requirement and you want to move the money into a segregated cash requirement, then you must manually move the money.

Using Collateral

Collateral cash can be used either during the policy period or after the policy period ends as follows:

- If segregated collateral is of type cash and the segregation requirement is closed the cash is moved to **Collateral Cash Held**. From there the collateral may be drawn down to pay any remaining charges of the policy period such as the final audit.
- If the non-segregated collateral is of type cash or mixed, the cash portion of the collateral is available to apply to over-due charges if necessary to avoid delinquency.

Collateral Requirements

The decision to require collateral, and the amount and type of collateral, is an underwriting decision and is set in the policy administration system. The information that the policy administration system (PAS) sends to BillingCenter varies depending on the billing instruction type (new submission, policy change, or other activity). The following table outlines this information.

Billing Instruction type	PAS sends to BillingCenter...
Issuance Rewrite Renewal	The PAS sets the requirement for the collateral amount for the policy period. The PAS then sends a billing instruction to BillingCenter with this information.
Policy Change	If the premium on the policy changes during the policy period, then the PAS sets a new value for the collateral amount. The PAS sends a billing instruction to BillingCenter that contains the new value of the collateral deposit.
Cancellation Reinstatement	Initially, a carrier simply estimates the premium amount for the cancellation period. The carrier calculates the actual premiums for the covered period through a <i>final audit</i> . Therefore, the PAS does not send collateral deposit information to BillingCenter on a cancellation or reinstatement billing instruction.
Audit	Final audits represent the actual final premium for the policy period. After the carrier knows this value, there is no longer a need for the collateral deposit. The final audit billing instruction sends a collateral requirement of \$0 so that BillingCenter knows to close the collateral requirement for the policy period.

Collateral Requirement Status

A collateral requirement can be any of the following:

- Pending
- Compliant
- Non-compliant
- Closed

Pending. A collateral requirement is pending if the effective date is still in the future.

Compliant. BillingCenter regards a collateral requirement as compliant if there exists a sufficient combination of cash and credit to meet the collateral requirement.

At the initial creation of a cash requirement:

- BillingCenter sets the requirement to the *compliant* status if the effective date of the requirement is *after* the invoice due date. This is because BillingCenter sends the collateral requirement with the invoice.
- BillingCenter sets the requirement to the *non-compliant* status if the effective date of the requirement is *before* the invoice due date. This can occur, for example, if the requirement creator sets the effective date as the current date and the cash is not there. In this case, it is not possible to send the collateral requirement with the invoice.

At the initial creation of a letter of credit requirement, BillingCenter sets the requirement to the *non-compliant* status. This is because BillingCenter does not bill this requirement through an invoice.

Non-compliant. BillingCenter regards a collateral requirement as being non-compliant if there is not sufficient cash held, charges, and LOC to satisfy the collateral requirements. A requirement can become non-compliant under the following circumstances:

- If the letter of credit (LOC) expires
- If the cash is drawn down
- If BillingCenter has disbursed the cash

If any single item in the collateral requirement has a non-compliant status, then the overall general status for the collateral is non-compliant.

Note: The mere existence of outstanding charges on the account does not cause collateral to be non-compliant.

Closed. There are multiple ways that a collateral requirement can move to the closed status. They are:

- BillingCenter process `CollExpiration` runs and sets the status value to Closed if the collateral requirement meets certain conditions. See “Collateral Related Processes” on page 262 for more information.
- Manual action sets the status value on a collateral requirement to Closed through the use of the `Close` function on the **Collateral** screen (**Requirements** tab). See “Working with Collateral” on page 258 for more information.
- BillingCenter automatically closes any collateral requirement associated with a policy period upon closure of that policy period. It is possible to apply cash collateral associated with a policy period toward charges after the policy period closes.

After the closure of a collateral requirement, BillingCenter applies any surplus cash to the unallocated collateral fund.

Moving from one compliance status to another. As a collateral requirement moves from one compliance status to another, the following occurs:

- If a collateral compliance changes to not compliant, BillingCenter calls the following plugin method:
`IDelinquencyProcessExtensions.onNonCompliance(Collateral)`
- If a collateral non-compliance changes to compliant, BillingCenter calls the following plugin method:
`IDelinquencyProcessExtensions.onCompliance(Collateral)`

Creating a Collateral Requirement

It is possible to create the collateral requirement either on instructions from the PAS or through the BillingCenter interface.

Creating a Collateral Requirement Programmatically

To create a collateral requirement using a billing instruction, do one of the following:

- Use the `CollateralBI` billing instruction to define the collateral requirement (`CollateralBI.CollateralRequirement`).
- Use the `SegregatedCollReqBI` billing instruction to set the amount of segregated collateral required (`SegregatedCollReqBI.SegregatedCollReq`)
- Use a subtype of the `PolyBillingInstruction` billing instruction (`Cancellation`, `PolicyChange`, `Reinstatement`, or another subtype) to define the collateral requirement (for example, `PolicyChange.DepositRequirement`).

See also

- For information on the `BillingInstruction` object, consult the *BillingCenter Data Dictionary*.
- For information on billing instructions, see “Billing Instructions” on page 159.
- For information on integrating BillingCenter with a PAS, see the *PolicyCenter Application Guide*.

Creating a Collateral Requirement Manually

To manually create a collateral requirement, navigate to the **Account → Collateral** screen. BillingCenter processes all collateral charges as direct bill, regardless of requirement level (account or policy).

See also

- “Working with Collateral” on page 258

Working with Collateral

To perform a collateral task in BillingCenter, such as managing collateral for a policy, you must have the appropriate permissions and appropriate authority limits. BillingCenter associates each user with one or more specific roles and each user role with one or more specific permissions. Also, each user has an authority limit, which specifies the approval limit for that user. A user can be part of a group which has collateral permissions and authority limits that enable members of that group to perform collateral-related tasks.

To manage collateral processing, a user role must have the following BillingCenter permissions:

Permission	Code	Description
Disburse collateral requirement	collateraldisburse	Permission to disburse collateral requirement
Drawdown collateral requirement	collateraldrawdown	Permission to drawdown collateral requirement
Edit collateral requirement	collateraleqedit	Permission to edit a collateral requirement
View account collateral screen	acctcollview	Permission to view Accounts → Collateral screen

Collateral Screen

You access the **Collateral** screen from an account, by selecting it from the list at the left-hand side of an account screen. The **Collateral** screen contains general information about the collateral associated with the account at the top of the screen along with information about collateral balances. This includes such information as whether the requirement is compliant and the amount of cash held.

The fields in the **General** category have the following meanings:

Field	Meaning
Total Requirement	Total of all requirements, regardless of source or allocation status
Status	One of the following: <ul style="list-style-type: none"> Compliant Not Compliant
True Excess	Total amount over and above the amount needed to satisfy the Total Requirement balance.

The fields in the **Balances** category have the following meaning:

Field	Meaning
Cash Held	Total of cash requirement amounts and unallocated amounts, excluding any segregated cash amounts
Cash Held By Requirements	Total amount of segregated cash amounts, excluding any collateral level amounts
Letters of Credit	Total of all letters of credit
Total Held	Total of all balances

Collateral Tabs

There are multiple tabs at the bottom of the screen. The following list describes each one.

Tab	Contains	Use to...
Requirements	Summary information about each type of collateral associated with this account.	Add or update a collateral requirement.
Cash Held	Specific information on the amount of cash collateral paid to fulfill the collateral requirement.	View cash held details. Perform cash drawdown or disbursement actions.
Letters of Credit	Specific information on any letters of credit used to fulfill the collateral retirement.	Add a letter of credit.
Charged Amounts	Specific information on the charged amounts associated with this collateral. See “Collateral Overview” on page 253 for a discussion of charged amounts as they relate to collateral.	Add a new collateral charge amount or view existing charges.

Requirements Tab

The Requirements tab displays details of all existing collateral requirements. From this tab, you can do the following:

- View details of a collateral requirement
- View the status of each collateral requirement
- Add, edit, or close a collateral requirement
- View details of unallocated funds
- Add a segregated cash requirement
- Unsegregate currently segregated cash

Unallocated funds are simply that. It is money allocated by BillingCenter as collateral, but not allocated to any specific collateral requirement. Unallocated funds can be either cash or a letter of credit. BillingCenter manages the unallocated funds internally. Under certain circumstances, BillingCenter automatically moves unallocated funds to a deficient collateral requirement through an internal process. See “Collateral Related Processes” on page 262 for details.

Note: You can also disburse these funds using the Disbursement function on the Cash Held tab.

Adding a Collateral Requirement

To create a new collateral requirement, first open an account, then select **Collateral** from the list at the left-hand side of the screen. Within the Requirements tab, click **Add**. This action opens the **Add Collateral Requirement** screen.

Depending on whether you select a collateral type of cash, letter of credit (LOC), or mixed, you see different fields on the screen.

Field	Enter	Used by...
Name	A unique name for this requirement.	All requirement types
Requirement	The collateral requirement amount.	All requirement types
Type	The Requirement type: • Cash • Letter of Credit • Mixed	All requirement types

Field	Enter	Used by...
Level	<p>The Requirement level:</p> <ul style="list-style-type: none"> • Account • Policy • Policy Period <p>Selecting Policy or Policy Period means that this collateral is segregated for the policy or policy period.</p> <p>All collateral, regardless of Level, is held on the account and billed on the account.</p> <p>To include collateral on the producer statement for agency billing, use manual assignment or configure BillingCenter to make that change.</p>	All requirement types
Effective Date	Date on which the collateral amount must be paid.	All requirement types
Expiration Date	Date on which the collateral amount is no longer required.	All requirement types
Segregated	Select to set this collateral amount aside in a special pool of money. See “Segregated Cash Collateral” on page 255 for information on segregated cash amounts.	Cash only
Create Collateral Fulfillment Charge If Needed For Compliance	<p>Select to create an invoice item to use to bill the account owner for the collateral amount.</p> <p>If you select this option, BillingCenter creates a charge for this amount.</p>	Cash only

Closing a Collateral Requirement

If you want, you can close a collateral requirement manually. BillingCenter can also close a collateral requirement automatically.

Manually. To close a collateral requirement manually, simply select it from the list of requirements and click Close. BillingCenter asks you to confirm your decision.

Automatically. BillingCenter can close a requirement automatically if the expiration date for the requirement has past and as the *Collateral Expiration* (CollExpiration) process runs.

Cash Held Tab

The **Cash Held** tab displays details of all cash held for collateral by BillingCenter for this account. For each cash item, you can drill-down into the transaction details. You can also:

- Draw down a cash amount and remove it from the collateral cash held and return it to either the account or policy.
- Disburse cash held to the account holder or another designated individual.

BillingCenter associates collateral *disbursement* with authority limits. Thus, if you have an authority limit of \$1000, you need to obtain approval to disburse an amount greater than \$1000. However, BillingCenter does **not** associate collateral *draw down* with authority limits. Thus, even if your authority limit is \$1000, you can draw down more than \$1000 without additional approval.

Drawing Down Cash

If you elect to draw down a cash requirement, BillingCenter moves the cash to the unapplied fund and posts the transaction. This enables you to use the cash for other purposes.

To draw down cash, use the **Draw Down** function to enter an amount to release to either an account or policy.

Disbursing Cash

Use the **Disbursement** function to disburse any cash held in the collateral unallocated fund to the account holder or to some other designated individual.

Adding to Cash Held

To add cash to meet an unmet cash collateral requirement, you must first move money into the collateral cash held T-account. To do so manually, do one of the following:

- Enter a payment on the **Actions** → **New Payment** → **New Direct Bill Payment** screen.
- Transfer money to collateral on the **Actions** → **New Transaction** → **Collateral Funds** screen. (You can only do this to pay off a collateral charge that moves the money after the charge is paid off.)

Letters of Credit Tab

Use the **Letters of Credit** tab to view the details of any letter of credit that BillingCenter holds for this account. This screen displays information on the following:

- The internal ID for this letter of credit
- The name of the bank on which the letter of credit is drawn
- The expiration date of the letter of credit (if any)
- The amount that the letter of credit represents
- The status of this letter of credit.

The status of the letter of credit is one of the following:

- Current
- Expired
- Removed

From this screen, you can do the following:

- Add a letter of credit
- View the details of any letter of credit
- Edit the details of an existing letter of credit
- Remove a letter of credit from BillingCenter

Charged Amounts Tab

Charged amounts are outstanding collateral amounts that have been billed to the account holder. For example, suppose that the collateral amount falls below the required amount because of a collateral draw down or because a letter of credit expired. You can add a one-time charge to bill for the amount necessary to bring the collateral requirement into compliance.

Use the **Charged Amounts** tab to view any existing charged accounts and to add additional charges. This screen shows all charge amounts, even those that are paid.

In the context of collateral, BillingCenter treats charged amounts as cash held. It is generally possible to reallocate the cash held and the LOC amounts at hand to satisfy various non-compliant requirements. *However, you cannot do this with charged amounts. Charged amounts do not count towards collateral requirements.*

Adding a Charge

To add a charge, simply click **Add Charge** and enter the requested information:

- The charge type—Either **Collateral Fulfillment** or **Collateral Replenishment**.
- The amount of the charge to add.

Allocating a Payment to a Collateral Requirement

You can allocate a portion of a direct bill payment to a collateral requirement without having to create a charge for it. The Collateral Item card on the New Payment screen for direct bill payments allows you to define a maximum of one collateral item for each payment.

Policy Cancellation with Collateral Deposit

If the PAS cancels a policy with a collateral deposit and notifies BillingCenter, BillingCenter determines the following:

- Whether there is unpaid premium on the policy
- Whether there is additional premium due from the final audit transaction

If additional money is due:

- *For cash collateral funds*, BillingCenter applies the remaining funds to pay the premiums, and then refunds any remaining collateral to the account holder.
- *For letters of credit funds*, BillingCenter places a hold on any payment activity related to the account. Someone must then physically contact the issuing bank and request the amount of premium due be paid by wire transfer. After BillingCenter receives the funds, it applies the funds to any past due amounts.

Collateral Related Processes

In the BillingCenter base configuration, the following batch processes relate to collateral.

Process	Code	Description
Collateral Effective	Co1Effective	<p>Searches for pending collateral requirements that:</p> <ul style="list-style-type: none"> • Have a compliance status of pending. • Have an effective date that is before or on the current date <p>For each one that it finds, the process sets the status to Not Compliant. The process also runs a collateral allocation algorithm.</p>
Collateral Expiration	Co1Expiration	<p>Searches for collateral requirements with an expiration date on or before the current date. For each that it finds, the process sets the status to Closed. The process also runs a collateral allocation algorithm.</p>
Letter Of Credit	LetterOfCredit	<p>Searches for expired letters of credit. For each one that it finds, the process sets its status to Expired. The process also runs a collateral allocation algorithm.</p>

Collateral Effective. In the base configuration, BillingCenter runs this process every four hours starting at midnight. Its purpose is to find collateral requirements for which the effective date just became effective. For any that it finds, the process runs a collateral allocation algorithm that determines if there is an unmet collateral amount on that requirement. If there is an unmet amount, the process attempts to move unallocated money to that collateral requirement.

Collateral Expiration. In the base configuration, BillingCenter runs this process every four hours and five minutes starting at midnight. Its purpose is to find collateral requirements for which the expiration date has just become past. For all that it finds, the process sets the requirement status to Closed.

Letter Of Credit. In the base configuration, BillingCenter runs this process every three hours and fifty-five minutes starting at midnight. Its purpose is to find letters of credit that have expired. For any that it finds, the process sets the letter of credit status to Expired. This action can make a previously compliant collateral requirement become non-compliant. By design, this batch process runs before the Collateral Effective process.

See also

- “Scheduling Work Queue Writers and Batch Processes” on page 113 in the *System Administration Guide*

Account Evaluation

Account evaluation is a BillingCenter process that generates an automatic rating for an account based on certain criteria. You can use the account evaluation rating in customer service or billing situations, such as deciding whether to renew a policy or account. For example, not renewing an account with a bad rating.

This topic includes:

- “Account Evaluation Definition” on page 265
- “Account Evaluation User Interface” on page 266
- “Account Evaluation Customization” on page 266

Account Evaluation Definition

When BillingCenter evaluates an account, BillingCenter generates an automatic rating for an account based on certain criteria. For example, the account rating might be Poor, Marginal, Acceptable, Good, Excellent, or New Account. You could make use of this account evaluation rating when deciding whether to renew a policy. For example, whether or not to renew an account with a bad rating, or use it in other customer service or billing situations.

Criteria for account evaluation include:

1. Number of delinquencies on an account over a certain time period.
2. Number of delinquencies that have progressed past the delinquency grace period on an account over a certain time.
3. Number of pejorative payment reversals or insufficient funds (NSF) events on an account over a certain time period.
4. Number of policy cancellations on an account over a certain time period.

Based on these criteria, BillingCenter generates an *account evaluation rating* for the account.

The exact algorithm by which the system generates an account evaluation rating is customer-definable by implementing a plugin interface. BillingCenter includes an internal reference implementation for this plugin interface if the customer does not define it. The reference implementation may be suitable for some customers, but it can be customized by implementing this plugin interface in Gosu or Java.

Account Evaluation User Interface

You navigate to the **Evaluation** screen as follows:

Account → Evaluation

In the upper left hand area of the screen, you see the **Payment History**. This section displays relevant metrics that are used to calculate the account evaluation rating. This section can be customized to a certain extent using the **Account Evaluation plugin (IAccountEvaluationCalculator)**. For more details of the **IAccountEvaluationCalculator** plugin interface, refer to “Account Evaluation Calculation Plugin” on page 160 in the *Integration Guide*.

The second section is the **Evaluation** rating that BillingCenter calculated for this account, in this example the value **New Account**.

The lower portion of the screen displays the **Delinquency History** for the account or any policies that adversely affected the evaluation rating of the account. This sections displays a list of any delinquencies on the account or any of its policies that meet at least one of the two following criteria:

- Delinquency has a start date which is within the past N days (where N is specified in the Account Evaluation plugin)
- Delinquency is currently active; so start date does not matter.

If you click on the hyperlinked text under the **Last Delinquency Event** column of this section, next to any delinquency, you see details about the delinquency.

Account Evaluation Customization

As mentioned earlier, the exact algorithm by which the system generates an account evaluation rating is customer-definable by implementing a plugin interface. BillingCenter includes an internal reference implementation for this plugin interface if the customer does not define it. The reference implementation may be suitable for some customers, but it can be customized by implementing this plugin interface in Gosu or Java. In addition to the algorithm itself, you can use this plugin to customize the number of days to search for delinquencies, cancellations, and pejorative payment reversals. This includes insufficient funds / NSF.

The reference implementation for this plugin defines the time period to search for adverse events to be 365 days in the past and implements the following rating algorithm:

Account Evaluation	Conditions
New Account	Any account opened within the last 365 days
Excellent	Up to 1 Delinquency for the rolling 12 month time period and 0 NSF and 0 Policy Cancellations
Good	Up to 2 Delinquencies and 0 NSF and 1 Policy Cancellation
Acceptable	Up to 4 Delinquencies and 1 NSF and 2 Policy Cancellations
Marginal	Up to 6 Delinquencies and 2 NSF and 3 Policy Cancellations
Poor	Anything else

For more details of the **IAccountEvaluationCalculator** plugin, refer to “Account Evaluation Calculation Plugin” on page 160 in the *Integration Guide*.

If you wish to different rating values other than the built-in ones (Excellent, Good, and so on), you can extend them in the `AccountEvaluation` typelist defined in the `t1_bc_account.xml` file. Its reference implementation includes these values:

```
<typelist name="AccountEvaluation" desc="Evaluation rating for an account">
    <typecode code="newaccount" name="New Account" desc="New Account"/>
    <typecode code="excellent" name="Excellent" desc="Excellent"/>
    <typecode code="good" name="Good" desc="Good"/>
    <typecode code="acceptable" name="Acceptable" desc="Acceptable"/>
    <typecode code="marginal" name="Marginal" desc="Marginal"/>
    <typecode code="poor" name="Poor" desc="Poor"/>
</typelist>
```




chapter 38

Multicurrency Features

You can configure BillingCenter to use a single currency or multiple currencies, based on your business needs. Enabling BillingCenter to use multiple currencies means that you can bill invoices, process payments, and pay commission in more than one currency within a single instance of BillingCenter.

This topic describes how multicurrency works, how currencies are separated, and the various uses of multicurrency in BillingCenter.

This topic includes:

- “Multicurrency Overview” on page 269
- “Currency Separation” on page 270

See also

- “Configuring BillingCenter with a Single Currency” on page 459 in the *Configuration Guide*
- “Configuring Multicurrency” on page 459 in the *Configuration Guide*
- “Configuring Currencies” on page 113 in the *Globalization Guide*

Multicurrency Overview

You can configure BillingCenter to display and use multiple currencies. If you enable multicurrency, you can send invoices, make payments, pay commission, and perform other BillingCenter functions in more than one currency. Multicurrency mode allows you to associate different currencies with individual entities that own or control money. However, each entity that is associated with money can have only one assigned currency.

BillingCenter maintains financial integrity by preventing money in different currencies from being combined or exchanged. For example, if you sell policies in more than one country, in multicurrency mode you can bill each policy in the relevant currency for the country. However, a single policy can have only one assigned currency.

Some entities, such as authority limit profiles, can have more than one associated currency. This is allowable because these entities do not initiate financial transactions.

Currency Settings

Each BillingCenter instance has a default base currency. The default currency is used to populate the *Currency* property for new accounts and producers unless another currency is explicitly specified. For details see “Setting the Default Application Currency” on page 119 in the *Globalization Guide*.

BillingCenter user interface elements for displaying monetary amounts and financial entities include both an amount and currency property. This is true whether you are running BillingCenter with a single currency or with multiple currencies.

Currency Separation

BillingCenter enforces restrictions to ensure that money of different currencies are never mixed. These restrictions effectively create silos within BillingCenter, and nearly all financial activity is confined to these silos. No transaction can span more than one currency.

The following are examples in which BillingCenter limits the scope of the operation to a single associated currency:

- **Policy Transfer** – The target producer or account must have the same currency as the policy.
- **Assignment of Items** – The payer must have the same currency as the invoice item.
- **Payment Distribution** – Invoice items being paid must have the same currency as the payment.

Entities in Currency Silos

The following are examples of entities that are restricted to a single associated currency. For more information, see “Currency Silos” on page 460 in the *Configuration Guide*.

Account

Each account has one assigned currency. You cannot modify the currency after the account has been created. All transactions involving the account and its policies are limited to the assigned currency.

The billing plan and delinquency plan associated with the account must use the same currency as the account. A parent account can have an assigned currency that is different from any of its child accounts.

Policy and Policy Period

Each policy has one assigned currency. You cannot modify the currency after the policy has been created. Each policy must use the same currency as the owning account. BillingCenter does not allow you to change the currency associated with a policy on renewal—each policy period must use the same currency as the policy.

The payment plan (and the delinquency plan if applicable) associated with that policy must use the same currency as the policy. Policies can be transferred only to accounts with the same associated currency as the original owning account.

Producer

Each producer has one assigned currency. You cannot modify the currency after the producer has been created. All transactions involving the producer and its policies will be limited to the assigned currency.

The associated commission plan and agency bill plan must use the same currency as the producer. All associated policies must use the same currency as the producer. The producer associated with a policy period must use the same currency as the owning account. Policies can only be transferred to producers with the same associated currency as the original producer.

Entities not in Currency Silos

Authority Limit Profiles

The **Administration → Users & Security → Authority Limit Profiles** screen shows the authority limit profiles defined in the system. Each user can be assigned a single authority limit profile. A profile can include limits in different currencies. Also, each limit can be specified in different currencies. For example, the limits for **Writeoff** can be defined as \$1000USD and 500 Euros.

Contacts

BillingCenter stores contact information for each account. A contact is a company or individual associated with the account. The account's contact information can be viewed on the **Contacts** screen.

This topic discusses setting up and maintaining contacts.

This topic includes:

- “Adding a New Contact to an Account” on page 273
- “Adding an Existing Contact to an Account” on page 274
- “Viewing Contact Information” on page 274
- “Searching for Contact Information” on page 274
- “Editing Contact Information” on page 274
- “Removing Contact Information” on page 274

Adding a New Contact to an Account

When creating an account, contact information for the primary contact must be specified. To create a new contact for an account, perform the following steps.

1. With the relevant account active, click **Contacts** to show the **Contacts** screen.
2. Click **Edit** and then click **Add**.
3. Enter the information for the new contact. To designate one or more roles for the contact, click **Add**.
4. To save the contact, click **Update**.

Adding an Existing Contact to an Account

Contacts can be shared among accounts and producers. To add an existing contact to an account, perform the following steps.

1. With the relevant account active, click **Contacts** to show the **Contacts** screen.
2. Click **Edit** and then click **Add Existing Contact**.
3. Use the **Search Criteria** to find the contact.
4. Click the **Select** button next to the desired contact.
5. If necessary, update the contact information. One or more roles can be assigned to the contact by clicking **Add**.
6. To save the contact, click **Finish**.

Viewing Contact Information

To view contact information associated with an account, perform either of the following methods.

- Select **Account** → **Summary** to view the contact with the **Insured** role on the account **Summary** screen.
- Select **Account** → **Contacts** to view a list of all contacts associated with the account, including the primary payer. You can also view each contact's details and any associated correspondence.

Searching for Contact Information

Use the **Search** tab to see a list of all contacts associated with accounts, policies, or producers. To search for a particular contact, perform either of the following methods.

- From the **Search** → **Contacts** → **Search Contacts** screen, select the **Accounts**, **Policies**, or **Producers** tab. Click the **Search** button to see a list of contacts for the relevant entity.
- From the **Search** → **Contacts** → **Search Contacts** screen, enter values in the **Search Criteria** area, such as the **Name** or **City**. Click the **Search** button. Then click the tab of the entity whose contacts you want to view.

Editing Contact Information

Edit contact information by performing the following steps.

1. With the relevant account active, click **Contacts** to show the **Contacts** screen.
2. Select the contact to modify, and then click **Edit**.
3. Edit the information for the contact, as desired.
4. To save the contact, click **Update**.

Removing Contact Information

Remove an existing contact from an account by performing the following steps.

1. With the relevant account active, click **Contacts** to show the **Contacts** screen.
2. Click **Edit**.
3. Place a check mark next to the contact to remove. To remove the contact, click **Remove**.

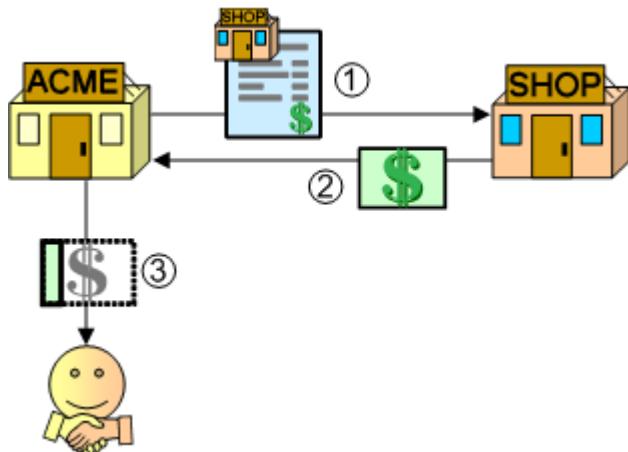
part IX

Direct Bill Processing

Direct Bill Processing Overview

This topic introduces the direct bill processing part of this guide. *Direct bill processing* means that the carrier bills the insured for any charges associated with an account or policy and the insured makes payments directly to the carrier. If a direct bill producer is associated with this process, then the carrier makes commission payments to that producer based on the producer commission plan.

The process commonly proceeds in this order:



1. Carrier sends invoice to account
2. Account sends payment to carrier
3. Carrier sends commission to producer

Invoice Lifecycle

This topic discusses how BillingCenter processes direct bill invoices. BillingCenter initiates the process when the invoice date (also known as the *bill date*) occurs. The invoicing process can be executed multiple times for a policy period, where each invoice bills the payer for some portion of the total premium.

This topic includes:

- “Invoices and Invoice Items” on page 279
- “Invoice Cycle” on page 280
- “Modifying Invoices” on page 281
- “Modifying Invoice Items” on page 282

Invoices and Invoice Items

An *invoice* is an itemized bill, sent by BillingCenter to an insured to request payment for the current amount due for one or more policies or account charges. The main components of an invoice are the invoice items it contains and their amounts, as well as the date of the invoice and when the payment is due.

Invoice Items

An *invoice item* is a line item on an invoice that represents all or part of a charge. Charges never appear directly on an invoice. Instead, during the charge invoicing process, BillingCenter divides every charge into one or more *invoice items*. See “Charge Invoicing Process” on page 181.

Each invoice item is an instance of the `InvoiceItem` entity. If charges are not divided, a single invoice item is created. Otherwise an array of invoice items is created. The `InvoiceItem` entity itself carries some information about how it will be invoiced. Its `Type` field specifies whether this invoice item is a deposit (down payment), an installment, or a one-time charge.

Invoice Item Examples

- A single charge can become exactly one invoice item. Examples include fees, taxes, and account deposits.

- A single charge can be divided into multiple invoice items. For example, a policy premium can be divided into a deposit and several installment invoice items. One invoice can contain multiple items from one charge. For example, the first invoice might contain both the down payment and the first installment. Or, if the policy is created after the **Policy Effective Date**, then the first invoice can possibly contain multiple installments.

Invoice Item Type

The following table identifies allowable values for the **InvoiceItemType** field:

Code	Name	Description
commissionadjustment	Commission Adjustment	The adjustment that is made as a result of a change in commission.
commissionremainder	Commission Remainder	The result of the creation of a remainder item from a distribution that occurs across several invoice items.
deposit	Down Payment	The normal type of deposit which appears on the next planned invoice.
installment	Installment	One of a series of one or more items related to the same charge with the start date and payment interval determined by the payment plan.
onetime	One-time	A non-recurring item with its billing date determined by the payment plan.

Note: Consult the BillingCenter *Data Dictionary* for more details.

Invoice Payer

The invoice payer is responsible for paying the invoice. In BillingCenter, the invoice payer is an account (for direct bill policies) or a producer (for agency bill policies). In direct bill, the account that owns the policy is usually also the payer. However, a billing instruction can specify a different payer for any charge. In this case, the items resulting from the charge are placed on that charge payer's invoices. See “Assigning a Payer for Charges and Items” on page 205 for more details.

Invoice Cycle

Invoice Status

Invoices maintain their own status to indicate its current state. The following status values are supported.

Status	Description
Planned	Invoice has not been billed yet.
Billed	Invoice has been sent to the customer.
Due	Invoice due date has passed.
Carried Forward	All items on the invoice will be billed on the next planned invoice
Written Off	The carrier does not expect any payment for the items on the invoice and has written it off.

When BillingCenter creates a new invoice, the invoice's status is initially set to **Planned**. When the invoice's **Invoice Date** is reached, a batch process normally changes the status to **Billed** and the insured receives notification that payment is expected. However, if the billing plan associated with the account has specified a low balance-payment threshold, the status can be set to **Carried Forward** or **Written Off**.

Billing an Invoice

When the invoice bill date arrives, the Invoice batch process does the following:

1. Changes the invoice status to **Billed**.
2. Creates accounting transactions that move charges from **Unbilled** to **Billed**.
3. Creates a payment request to manage a direct debit collection if the account's payment instrument collects by direct debit. This does not actually create the EFT (*electronic funds transfer*) request yet. This applies to *non-responsive* payment instruments only. The *non-responsive* payment instruments are managed entirely by the carrier, and the insured does not need to respond to the notice unless a change is needed.
4. Sends invoice details to a document production system to produce and send an invoice document (such as a physical piece of paper or an email).

Note: This integration point is not configured in the base application and must be configured during implementation)

Making an Invoice Due

On the day after the due date for a billed invoice, the Invoice Due batch process does the following:

1. Changes the invoice status to **Due**.
2. Creates accounting transactions that move charges from **Billed** to **Past Due**.

When an account becomes **Past Due** and the payment has not been received, the account will become past due and a delinquency is activated.

Viewing the Policy Summary

The Invoice batch process updates the policy **Summary** screen so that it always shows the current amount outstanding.

When the policy becomes past due, the Invoice Due batch process, updates this amount on the policy **Summary** screen, and the invoice status changes from **Billed** to **Past Due**.

Viewing Policy Transactions

To see the accounting transactions for a policy, go to **Policy → Transactions** link or click the transaction listed on the **Policy → Summary**. Following the principles of double-entry bookkeeping, the sum of the amounts of the debit items will equal the sum of the amounts of the credit items. It is possible to have one credit item and two debit items if both sides sum to the same amount.

Modifying Invoices

In the BillingCenter user interface, you change the dates of a specific invoice or change the payment schedule for a policy. You can also resend an invoice.

To change invoice dates

1. Find the account that is either the owner of the related policy or the payer of the invoice. See “Filtering Charges” on page 208.
2. Go to **Account tab → Invoices**.
3. Select the invoice you want to modify.

4. Click **Change Invoice Dates**.
5. Modify either the **Statement Date** or **Payment Date** or both. A calendar widget is available.
6. Click **Update**.

To change the payment schedule

BillingCenter allows you to change the payment schedule for an existing policy. Changes to the payment schedule can invoke the recalculation and reorganization of the invoice items and the generation of a new set of invoices. For example, a customer may initially request quarterly payments and later decide to have monthly payments. See “[Changing the Payment Schedule](#)” on page 120 for details.

To resend an invoice

1. Find the account that is either the owner of the related policy or the payer of the invoice. See “[Filtering Charges](#)” on page 208.
2. Go to **Account tab → Invoices**.
3. Select the invoice you want to resend.
4. Click **Resend Invoice**.

Resending an invoice triggers a BillingCenter **InvoiceResent** event. In the base configuration, the event is ignored. However, configuration code can be written to handle the event and send a message to an external invoicing system, instructing it to resend the invoice. For information about BillingCenter events and sending messages to external systems, see “[Messaging and Events](#)” on page 303 in the *Integration Guide*.

Modifying Invoice Items

In the BillingCenter user interface, you can add, remove, and modify invoice items.

The total amount of the invoice items must always equal the charge amount. So, if you remove an invoice item for \$100, you must be sure to add that amount to another invoice item or items.

To modify invoice items

1. Find the account that is either the owner of the related policy or the payer of the invoice. See “[Filtering Charges](#)” on page 208.
2. Go to **Account tab → Charges**.
3. Select the charge.
4. Click **Modify Invoice Items**. A set of four buttons replaces the **Modify Invoice Items** button. These are: **Update**, **Cancel**, **Add**, and **Remove**.
 - To add an item, click **Add** and enter the **Event Date**, **Type**, and **Amount**.
 - To remove an item, select the item and click **Remove**. The **Unallocated** field at the bottom of the screen will inform you of the unallocated amount. You need to add this amount to another invoice item or items.
 - To move an invoice item, select one or more invoice item and click **Move Invoice Items**. A set of destination invoices is listed on the **Move InvoiceItems** screen. Choose a destination invoice and click **Select** next to that invoice.
5. Click **Update** to complete the operation or **Cancel** to cancel the operation.

Payment and Distribution

A *payment* is a sum of money sent to a carrier to apply to a BillingCenter account. A *distribution* describes how money is applied towards a set of invoice items. This topic discusses how BillingCenter records payments and then distributes the funds to pay for an account's unpaid or partially paid invoice items.

This topic includes:

- “Working with Direct Bill Payments” on page 283
- “Posting Direct Bill Payments” on page 285
- “Suspense Payments and Items” on page 289
- “Searching for Payments” on page 292
- “Distributing Direct Bill Payments” on page 293
- “Creating and Editing Direct Bill Credit Distributions” on page 295
- “Moving Direct Bill Payments” on page 296
- “Reversing Direct Bill Payments” on page 297
- “Modifying Direct Bill Payments” on page 298

BillingCenter also *makes* payments – such as disbursements (refunds), commissions, and regulatory fees and taxes. Disbursements and commissions are discussed in other sections of this guide. See “Disbursements” on page 319 for details on disbursement handling and “Commission Plans” on page 145 for details on commission payments. Regulatory fees and taxes are recorded in BillingCenter, but the funds are passed through to the appropriate regulatory agencies.

Working with Direct Bill Payments

Direct bill payments can be posted to BillingCenter through the user interface or programmatically.

Manual Payments

The BillingCenter user interface enables you to post single or multiple payments. You can choose to either distribute the payment immediately using a predefined distribution strategy or apply the payment to the appropriate Unapplied T-account based on the active billing level. Alternatively, you can override the default distribution and explicitly allocate payment amounts to specific invoice items.

Automated Payments

The PaymentAPI web service that BillingCenter publishes allows external systems to post single payments to BillingCenter programmatically. The following table describes the methods that the PaymentAPI web service provides.

Payment Method	Description
makeDirectBillPayment	Makes a payment to a single specific policy on an account.
makeDirectBillPaymentToPolicyPeriod	Makes a payment on a policy or policies to the specified target policy that has priority in the fund distribution.
makeSuspensePayment	Makes a payment even when the policy or account does not exist yet or is unknown by BillingCenter.

After receiving and recording the payments, batch processes are subsequently run at scheduled times to process the distribution.

Payment Instruments

A *payment instrument* specifies how the insured intends to submit payments to BillingCenter. The payment instrument represents payment information such as credit card or bank details. If you are storing sensitive financial information in an external system, you can enter a *token* in BillingCenter. The token represents and uniquely identifies the actual account number or other financial data that is stored externally.

Because BillingCenter cannot rely on any specific set of information, the `PaymentInstrument` entity has minimal fields. It is expected that you will define extension columns to hold custom data that is relevant to your own payment system. Internally, BillingCenter does nothing with tokens except for allowing you to enter a string as the token, display the token, and search on a token.

If you are not using an external payment system or other external storage for sensitive financial data, you can also store the data in BillingCenter directly. Enter the credit card account number, bank account number, or other sensitive data directly in the token field.

IMPORTANT Check with your legal department about all regulatory requirements relating to credit card information.

Each insured account has one or more associated payment instruments, such as ACH/EFT, Credit Card, or Responsive. One payment instrument is set as the default. Whenever BillingCenter lets you choose a Payment Instrument, all previously saved Payment Instruments of appropriate types will be shown.

Note: *Responsive* means that the insured will be sent an invoice, which requires a response in the form of a payment.

To specify the payment instrument from the account Summary screen

You specify the account-level Payment Instrument from the Account Summary screen. By default, it is **Responsive**. To edit the payment instrument:

1. Display the **Account Summary** screen by selecting the **Account** tab, then **Summary**.

2. Click **Edit**.
3. In the **Payment Instrument** field, select an existing payment instrument from the drop-down, or click **New** to define a new payment instrument.
If you select an existing payment instrument, continue to the next step.
If you are defining a new payment instrument, the **New Payment Instrument** popup appears.
 - a. Choose a method from the list of options in the **Payment Method** drop-down.
Payment Instrument options include:
 - Responsive** – The insured sends the payment to BillingCenter in response to an invoice.
 - ACH/EFT (Automated Clearing House/Electronic Funds Transfer)** – A debit from the insured's bank account is triggered automatically.
 - Credit Card** – An authorized charge is made to insured's credit card account.
 - b. Enter a token from your external payment system, if you are using one.
4. Click **Update** when you are finished with your selection.

Specifying the payment instrument in the BillingCenter User Interface

If you enter a direct bill payment using the **New Payment** screen, you need to choose a **Payment Instrument** from the drop down list. See "Entering a Single Payment" on page 285 for details.

Note: A *lockbox service* sets up post office boxes to receive and deposit large numbers of checks on behalf of many of the carriers. Usually, they create listings of the receipts which are forwarded to the companies they represent. Billing personnel use these listings to record the payments in BillingCenter.

If you enter payments using the **Enter Multiple Payment Information** screen, you have just two options to choose from: **Check** and **Cash**.

Posting Direct Bill Payments

There are three ways to enter a direct bill payment in BillingCenter:

- From the BillingCenter user interface using the **New Payment** screen (usually for a single payment)
- From the BillingCenter user interface using the **Multiple Payment Entry** screen (usually for several payments)
- Programmatically through the Payment API

Entering a Single Payment

You can enter payments into BillingCenter, execute the distribution, or override an amount in a distribution.

To enter a new payment

1. Go to **Accounts** tab → **Actions** → **New Payment** → **New Direct Bill Payment** → **New Payment** screen.
2. Enter the amount to be paid.
3. If the billing level is policy-level billing with cash management, select the desired **Unapplied Fund** to store the payment. For further details, see "Billing Levels and Unapplied T-Accounts" on page 302.
4. Select the **Payment Instrument**. See "Specifying the payment instrument in the BillingCenter User Interface" on page 285 for details.
5. If funds exist in the default **Unapplied** fund and you want to include them in the distribution, click the **Use Unapplied Fund** checkbox.

6. Override Distribution enables the payment to be distributed in a custom manner. When clicked, the **Override Distribution** button is immediately replaced by the **Recalculate Distribution** button. Clicking **Override Distribution** lets you take two types of actions:

- Force the payment to be allocated to a specific target. The target can be a policy period, an invoice, or an invoice item.
- Specify which items to include or exclude for automatic distribution logic.

To define a custom distribution, perform the following steps:

1. Use the toolbar widgets in the **Preview Distribution** window to display eligible invoice items. The toolbar is described in detail in the next section.
2. Enter an override amount for each payment that you want to override. Enter zero to exclude an invoice item from this payment distribution.
3. Click **Recalculate Distribution**. Check the **Amount To Apply** column to be sure that the amounts are correct. If necessary, cycle multiple times through the update override amounts and **Recalculate Distribution** until the proposed distribution matches the desired results.

7. To complete the payment operation, click one of the following buttons:

- **Execute Without Distribution** to execute the payment without distributing the funds. This credits any money received to either the default or the selected **Unapplied T-account**.

If a custom distribution was defined, the **Execute** button will be shown. Click it to save the payment and execute the defined distribution.

- **Cancel** to cancel the payment and exit the **New Payment** screen.

Using Preview Distribution Toolbars

The **New Payment** screen has two toolbars, which are highlighted in the following graphic:

Direct Bill Payment [Return to Summary](#)

Execute **Cancel** **Execute Without Distribution**

Account	Payment Details
Selected Account # 1000000014	Payment Instrument * Cash New
Selected Account Name 1000000014	Description

Payment

Received Date 07/01/2014
 Amount * \$ 100.00
 Use Unapplied Fund
 Amount [\$0.00]

Preview Distribution

Distribution **Suspense Items** **Collateral Item**

1 Select Items where the * Payer Is * Account Include Only * Up to amount under cont Add Items

2 Group By * Invoice Aggregate * By Item Sort By * Invoice Date Go To # Go Clear

The following numbered descriptions correspond to the highlighted toolbars in the graphic:

1. This toolbar appears after you click **Override Distribution**. You can use it to display invoice items that are not part of the default distribution.
2. This toolbar is primarily for changing the way invoice items are shown. It is always available on the screen.

The following table describes the widgets in the toolbars.

Toolbar Widget	Description
Select items where the: is:	Allows you to restrict the invoice items that are listed by payer or owner. The choices are Payer, Owner, and Either Payer Or Owner. This option is used in combination with the Is field.
Include Only:	Allows you to override the distribution method for the account for this distribution only: Up to amount billed – list of invoice items includes only items from billed invoices. Up to amount past due – list of invoice items includes only items that are past due. Up to amount under contract – list of invoice items includes all items that satisfy the Select items where the ... Is criterion. Up to next invoice – list of invoice items includes only items from billed invoices plus the next planned invoice.
Add Items	Displays the Add Items screen, which allows you to search for and add invoice items to the distribution. These items can have any account or producer as payer.
Group By	Allows you to group invoice items by the selected criterion. The choices are: Invoice – Group items by invoice. Custom Group – Group items by custom distribution groups. This option requires configuration. Policy, Account and Collateral – Group items by T-account owner.
Aggregate:	Allows you to aggregate the invoice items listed: By Item – No aggregation. Summary – Aggregate by the Group By criterion.
Sort By:	Allows you to sort the invoice items. The Sort By choices depend on the value of the Group By and Aggregate By fields: If Group By is Invoice and Aggregate By is By Item, you can sort by Invoice Date or Due Date. If Group By is Policy, Account and Collateral and Aggregate By is By Item, you can sort by Insured Name, Insured Descending, Policy Number, and Policy Number Descending. This option appears only when you are aggregating By Item. If you are aggregating By Summary, use the column headers to sort the listed items.
Go To #:	Allows you to filter the items by entering all or part of an invoice number. Enter the full or partial invoice number and click Go.
Go	Applies the invoice number filter that is entered in the Go To # field.
Clear	Clears the Go To # field.

Entering Payments in Bulk

You can enter several payments into BillingCenter using a single screen. The method is typically used for payments that are received by mail or payments listed on a bank statement where there is no integration with BillingCenter. The **Enter Multiple Payment Information** screen provides a full page of lines to allow for quick entry of several payments. You can add more lines by clicking **Add**. Both account and policy search facilities are provided to help you locate the entity to which the money applies.

To enter multiple payments

1. Go to Desktop → Actions → New Payment → Multiple Payment Entry → Enter Multiple Payment Information screen.

2. For each payment:

- a.** Enter the account number or the policy number. A search facility is provided for both fields.
If neither the account nor the policy is known by BillingCenter, enter in the account or policy number and select *Suspense* as the **Type**. Suspense payments are discussed in a later section.
- b.** Select *Payment* as the **Type**.
- c.** (Optional) Select the **Date**.
- d.** For **Method**, choose either *Check* or *Cash*. If you selected *Check*, enter the check number in the **Check #** field.
- e.** Enter the amount.
- f.** (Optional) Enter a note.

3. Click **Next**. This takes you to the **Confirm Multiple Payments** screen.

4. (Optional) Verify that the total amount matches the total amount for the payments that you intended to enter.
Add more payments if needed.

5. Click **Finish**.

Note: To support agency bill, there is also a search facility for producers. You can add checks received from the producer along with checks for direct bill policies. In this case, do not enter an account or policy number.

Processing Payments that Do Not Match the Expected Amount

Changes to policies often result in increased or decreased charge amounts. If BillingCenter is not immediately notified of the change, a payment received can be perceived to be an under or overpayment.

As an example, assume BillingCenter is not notified about a policy change that increases the premium from \$100 to \$110. Subsequently, a payment for \$110 is received.

The best practice method for handling this situation is to allocate \$100 to the expected premium and store the remaining \$10 in a suspense item. Later, when BillingCenter is notified of the policy change, the suspense item can be released and appropriately distributed.

Note: It is not recommended to overpay the \$100 charge by allocating the full \$110 to the premium. BillingCenter does not let the totals be “cleaned up” by distributing -\$10 to the overpaid charge and \$10 to the new charge when it is notified of the policy change. Such “clean up” transactions are disallowed in order to maintain data validity.

See also:

- “Suspense Payments and Items” on page 289
- “Using Suspense Items” on page 291

Automatically Applying Payments

Payments can come into BillingCenter by means of a billing instruction from an external system, an electronic funds transfer (EFT) or in response to an invoice.

- The `DirectBillPaymentFactory` API provides methods for handling payments and distributions. See `gw.api.web.payment.DirectBillPaymentFactory`.
- Automated Clearing House/Electronic Funds Transfer (ACH/EFT) payments, such as direct debit transfers from a bank account, enter BillingCenter by way of an external third-party payment system. If the transfer fails because the debited account has NSF (non-sufficient funds), BillingCenter performs a reversal programmatically. See “Get Invoice Items Methods” on page 106 in the *Integration Guide* for more details.

Suspense Payments and Items

When BillingCenter receives a payment, it is not always clear to which account, producer, policy, or charge to apply it. For example, an external payment system may send a payment instruction to BillingCenter for an account that BillingCenter has not yet been informed of. Similarly, a payment may arrive for the Smith account, but the Smith account includes three policies, and it is unclear to which policy to apply the payment. When BillingCenter receives a payment with an uncertain destination, the payment is stored in a temporary *suspense* destination. Later, when it becomes clear how to apply the payment, the payment can be moved from the suspense destination to its appropriate destination.

BillingCenter provides two types of suspense destinations: *suspense payments* and *suspense items*.

A *suspense payment* is a payment in which the payer is unknown. The payer can be either an account, a producer, or a policy period that is associated with an account or producer. The payer might be unknown because BillingCenter is not yet aware of the specified account or producer. Another possible scenario occurs when a payment specifies a policy, but the policy is not yet bound to an account or producer, making the payer unknown. Without a known payer, it is not possible to apply the payment to any charges, so the payment is temporarily stored as a suspense payment.

A suspense payment is placed in an `Unapplied` T-account of type `SuspensePayment`. Each suspense payment is placed in its own, separate `Unapplied` T-account. Thus, if ten payments with unknown payers arrive then ten `Unapplied SuspensePayment` T-accounts are created.

Later, when the payer becomes known, the suspense payment is moved to an `Unapplied` T-account of the appropriate account or producer. This movement of suspense payments is performed either by running the `Suspense Payment` or `Agency Suspense Payment` batch process or by transferring the payment through the BillingCenter user interface.

A *suspense item* is a payment for which BillingCenter knows the applicable payer, but does not know either the policy or all of the applicable charges. If some of the charges are known, it is possible to divide the payment into paid items for the known charges and a suspense item to store the remainder.

Suspense items are temporarily placed in the `Suspense` T-account owned by the relevant account or producer. When the applicable charges become known, suspense items can be released and then distributed.

In summary, a suspense item differs from a suspense payment in that the suspense item knows the payer—the account or producer—while a suspense payment does not. By knowing the payer, BillingCenter can store a suspense item in an `Unapplied` T-account of the relevant account or producer. A suspense payment must be placed in an `Unapplied` T-account of type `SuspensePayment`.

See also

- For more information about `Unapplied` T-accounts, see “Billing Levels and Unapplied T-Accounts” on page 302.

Using Suspense Payments

Payments typically arrive in BillingCenter from an external system, such as through a web service call or an electronic funds transfer (EFT). Such payments are placed in an `Unapplied` T-account of the relevant account or producer or, if the account/producer is unknown, to an `Unapplied` T-account of type `SuspensePayment`. An example of an unknown destination would be a payment for an account number that does not exist yet in BillingCenter.

The remainder of this section describes common operations with suspense payments.

See also

- “Disbursing Suspense Payments” on page 321.
- “To reverse a suspense payment” on page 298.

- To move a payment from an account to an Unapplied T-account of type **SuspensePayment** (making it a suspense payment), see “To move a payment to Unapplied of **SuspensePayment**” on page 297.
- The behavior of suspense payment handling can be modified by configuring the **SuspensePayment** plugin. For further information, see “**Suspense Payment Plugin**” on page 197 in the *Integration Guide*.

To create a suspense payment

Suspense payments are created in the **New Suspense Payment** screen. To view the screen, enter either of the following commands:

- **Desktop** → **Suspense Payments**, and click **New**.
- **Desktop** → **Actions** → **New Payment** → **Suspense Payment**

When creating the suspense payment, it is possible to enter either an account number, a policy number, or a producer code. These IDs are not validated, and they do not need to exist in BillingCenter when you create the suspense payment. When the **Suspense Payment** or **Agency Suspense Payment** batch process runs or you move the suspense payment, the ID is used to link the payment to the appropriate entity. Entering an account, policy or producer ID is optional when creating a suspense payment.

Note: If a policy number is entered, the suspense payment is *not* restricted to the specified policy. The payment can be subsequently distributed to any policy in the associated account/producer. The policy number is used only to link the suspense payment to the appropriate account or producer, not to a policy. To restrict the payment to a specific policy, use a suspense item, instead.

Suspense payments can also be created through the **Multiple Payment Entry Wizard**. View the wizard by entering the command shown below. In the wizard, set the **Type** field for the suspense payment to **Suspense**.

Desktop → **Actions** → **New Payment** → **Multiple Payment Entry**

Finally, suspense payments can be created by calling a web service. For information, see “**Make a Suspense Payment**” on page 109 in the *Integration Guide*.

To edit a suspense payment

1. Select **Desktop** → **Suspense Payments**. Set the filter to an appropriate setting so the desired suspense payment is shown in the list.
2. Click the **Edit** link of the suspense payment to edit. The **Edit Suspense Payment** screen is shown.
3. Edit the suspense payment fields as desired, and then click **Update**.

To apply a suspense payment

1. Select **Desktop** → **Suspense Payments**. Set the drop-down list filter to an appropriate setting so the desired suspense payment is shown in the list.
2. Click the **Apply** link of the suspense payment to apply. The **Apply Suspense Payment** screen is shown.
3. Verify or specify the applicable account, producer, or policy, and then click **Update**. The suspense payment is moved to an Unapplied T-account of the appropriate account, producer, or policy.

Suspense payments are also applied by the **Suspense Payment** and **Agency Suspense Payment** batch processes. See “**Suspense Payment Batch Processing**” on page 141 in the *System Administration Guide* and “**Agency Suspense Payment Batch Processing**” on page 122 in the *System Administration Guide*.

Using Suspense Items

A payment for which the payer is known, but the policy or charges are unknown can be specified as a suspense item. Before a suspense item can be distributed and applied to a particular charge, it must be manually “released.”

The remainder of this section describes common operations with suspense items.

To divide a payment into paid and suspense items

1. With the appropriate account active from the **Accounts** tab, select **Actions** → **New Payment** → **New Direct Bill Payment**.
2. Enter the total paid amount in the **Amount** field.
3. Click **Override Distribution**, and then click the **Suspense Items** tab.
4. To create a suspense item, click **Add**.
5. Enter a policy number in the **Policy Number** field. The policy does not need to exist.
6. Enter the suspense amount in the **Gross** field. The suspense amount can be all or part of the total paid amount.
7. Optionally, click the **Distribution** tab to see how the remaining payment will be distributed. The distribution can be overridden at this point, if you wish.
8. Click **Execute** or **Execute Without Distribution**.

The total amount stored as suspense items is shown on the account’s **Summary** screen in the **Unapplied Funds** section as **Suspense Amount**.

To release a Direct Bill suspense item for distribution

A Direct Bill suspense item must be released before it can be distributed. Either of the following two procedures releases Direct Bill suspense items.

Releasing from the Account’s Summary screen

1. In the account **Summary** screen’s **Recent Payments Received** section for the payment with the suspense amount, select the payment’s **Actions** → **Modify Distribution** to show the **Modify Payment** screen.
2. Click **Override Distribution**, and select the **Suspense Items** tab.
3. Check the box alongside the suspense items to release.
4. Click **Release**, and then click **Execute**.

Releasing from the Search screen

1. On the Tab bar, select **Search** → **Direct Bill Suspense Items**.
2. Optionally, enter search criteria. To find all suspense items, leave all the search criteria fields empty.
3. Click **Search** to display the matching suspense items.
4. For each suspense item to release, click the **Release** field on the item’s row. The **Modify Payment** screen displays.
5. Click **Override Distribution**, and select the **Suspense Items** tab.
6. Check the box alongside the suspense items to release.
7. Click **Release**, and then click **Execute**.

To release an Agency Bill suspense item for distribution

An Agency Bill suspense item must be released before it can be distributed. To release an Agency Bill suspense item, perform the steps described below. To resolve an Agency Bill suspense item, see “Resolving Suspense Items” on page 366.

1. Go to **Producer → Agency Bill Suspense Items**.
2. Select the **Payment Items** tab.
3. Check the box for each item you want to release.
4. Click **Release**. The funds are released.

To search for a Direct Bill suspense item

To search for a Direct Bill suspense item, perform the following steps:

1. On the Tab bar, select **Search → Direct Bill Suspense Items**.
2. Optionally, enter search criteria. To find all suspense items, leave all the search criteria fields empty.
3. Click **Search** to display the matching suspense items.

To search for an Agency Bill suspense item

To search for an Agency Bill suspense item, perform the following steps:

1. From the **Producer → Agency Bill Suspense Items** screen.
2. Click the **Payment Items** tab to view a list of suspense items. To view a list of promise suspense items, click the **Promise Items** tab.
3. Set the **Filter By Status** drop-down list to view the desired item.

Suspense items can also be viewed from the **My Agency Items** screen. See “Working with Suspense Items” on page 366.

Searching for Payments

Searching for a payment

1. From the Tab bar, select **Search → Payments**.
2. Optionally, enter search criteria. To find all payments, leave all the search criteria fields empty.
3. Click **Search** to display the matching payments.

When the payment has been made to an account, the payment will be listed on either the **Direct Bill Payments** tab or the **Agency Payments** tab of the search results. Suspense payments are listed on the **Suspense Payments** tab.

A number of criteria can be used to find payment entries. For example, you can enter a check number to find out what has happened to a check that a client has sent. Possibly the client says the payment was sent, but their invoice is not flagged as paid.

When specifying a **Policy #** field, the search matches only policies that exist in BillingCenter. Therefore, a nonexistent policy number associated with a suspense item will not match any policies.

See also

- “To search for a Direct Bill suspense item” on page 292.
- “To search for an Agency Bill suspense item” on page 292

Distributing Direct Bill Payments

BillingCenter uses batch processes to automatically distribute payments that you have not explicitly allocated to specific invoice items. Undistributed payments include:

- Payments entered using the **New Payment** screen, where you clicked **Execute without Distribution**
- Payments entered using the **Multiple Payment Entry** screen
- Payments entered programmatically through the Payment API

BillingCenter distributes money on the invoice item level. A *distribution item* refers to that portion of a payment that is applied to a specific invoice item.

Pro Rata Distribution

For all automatic distributions, the BillingCenter base application uses a pro rata distribution algorithm, which works as follows:

1. All negative items are always processed first. This is to ensure that any credits that are due to the payer are applied before funds are distributed.

For example, suppose the only billed invoice for an account has two items: a premium item of \$100 and second premium item of -\$40. Pro rata distribution first applies the -\$40 as a credit to the \$100 premium charge. The amount owed for the \$100 premium item is now \$60 (\$100 - \$40).

2. Next, if there are enough funds to fully pay all eligible unpaid items, then the distribution fully pays all the items.

- If there are not enough funds to pay all eligible items, invoice items are paid by order of event date.
- If the invoice item event dates are equal, then the priority of the charge pattern determines which invoice item is paid first. For example, a recapture charge is high and would be paid before an installment, which is medium.

3. Finally, if two or more items have the same priority, each item will be paid pro rata by balance. Each item receives an amount based on the ratio of available funds to total unpaid amount. For example, assume that:

- An account has \$100 in its **Unapplied T-account**.
- There is a total of \$120 in unpaid, eligible invoice items

Then, each item is allocated 10/12 of item amount.

Note that this pro rata distribution strategy could pay either item first. If the values in question do not divide evenly, then cents can be allocated differently for different payments given the exact same scenario.

Batch Processes That Distribute Payments

BillingCenter has four batch processes that allocate payments using a pro rata algorithm. Each batch process has a different purpose, but they all allocate payments. The following table describes these batch processes:

Batch process name	Description
New Payment	Fully distributes available money. It is intended primarily for distributing money from automatic payments and from the Enter Multiple Payment Information screen.
Automatic Disbursement	Fully distributes available money and then creates disbursements.
Invoice	Makes eligible invoices billed, then processes any negative items, and finally fully distributes available money.
Invoice Due	Makes eligible invoices due, then processes any negative items, and finally fully distributes available money.

Note: Because all four batch processes use the same pro rata distribution algorithm, they all process negative items first as part of the distribution. However, only *Invoice* and *Invoice Due* create transactions that document their credit distributions.

Payment Allocation Plans

Payment allocation plans control how BillingCenter distributes incoming payments. Every account has a payment allocation plan. Payment allocation plans are discussed in detail in “Payment Allocation Plans” on page 123.

Understanding Payment Distribution

When BillingCenter receives money, the funds are first placed in the appropriate **Unapplied** account of the owner of the charge. The distribution process associates the payment with the distribution, which is associated with a set of payment items linked to invoice items. When the payment distribution is executed, the invoice items are paid and appropriate T-accounts are debited or credited.

Manual Payment Distribution

If the payment is in response to an invoice, a billing clerk enters the payment into BillingCenter, using the [New Direct Bill Payment](#) screen. See “Entering a Single Payment” on page 285 for details.

Automatic Payment Distribution

If the payment is handling automatically, the **DirectBillPayment** plugin is called to distribute the payment. This enables the user to configure distribution for the following payment types.

- Collateral
- Credits
- Payments with overrides
- Policy periods
- Redistributions

Zero-Amount Distribution Items

Distribution items with a zero amount are not typically committed to the database. BillingCenter automatically removes such items from the distribution, except in special situations.

For direct bill payments, zero-amount distribution items are committed if the item applies to commissions only.

For agency bill payments, zero-amount distribution items are committed if any of the following situations exist:

- The item applies to commissions only
- The item includes a disposition, such as write-off or carry forward
- The item includes a comment

Transferring Undistributed Funds

BillingCenter uses the *transfer* transaction to transfer money from an account to other accounts or producers.

Funds or some portion of the funds in an account's Unapplied T-account can be transferred to either one or more other accounts or to one or more producers. Reasons for transferring funds included in the base configuration are:

- **Apply to Renewal**
- **Inappropriate Distribution**
- **Returned Payment**

To transfer money from an account

You can create a transfer by going to **Account → Actions → New Transaction → Transfer → New Transfer Wizard**.

1. Choose the *source* for the transfer and click **Next**.
2. Notice the amount in the **Source Surplus** field, which shows the amount available to transfer. This is the maximum amount that you can transfer.
3. Select either **Account** or **Producer** as the **Target**.
4. Search for and select a target account or producer.
5. Enter an amount and select a reason for the transfer.
6. If you want to add more target accounts or producers, click **Add**.
7. When you have finished entering the target accounts or producers, click **Next**.
8. Review the list of targets, amount, and reasons, and click **Finish**. The transferred money is now in the Unapplied T-accounts of the target accounts or producers.

Creating and Editing Direct Bill Credit Distributions

A *credit* is an amount that a carrier owes to an insured. Because a credit involves no new money entering the system, another term for credit is *zero dollar payment*. A *credit distribution* means distributing money that is already in BillingCenter. It allows a carrier to return funds to the insured by crediting the insured's account to clear an item previously charged to the insured.

A credit distribution happens for two reasons:

- An unapplied fund has undistributed money.
- There are negative items such as a reduction in premium to distribute.

Credit distribution is usually automatic. The four BillingCenter batch processes that distribute payments also make credit distributions. If you want to control how the credit is distributed, you can perform a manual credit distribution using the **New Credit Distribution** screen. This screen allows you to distribute funds that already exist in the system, specifically:

- Positive amounts from unapplied funds
- Negative amounts for undistributed items such as premium reductions

To create a new direct bill credit distribution in the user interface

1. From Account tab → Actions → New Payment → New Direct Bill Credit Distribution
2. Click the **Override Distribution** button. This displays a toolbar that you can use to select, group, or filter items that you want to view or override and a **Recalculate Distribution** button.
The amount available for distribution is shown, including any available unapplied funds.
3. Select the desired filters to display the items you want to view.
4. Enter a new amount in the **Override Amount** column.
Enter positive amounts to pay items and negative amounts to pay negative items.
5. Click the **Recalculate Distribution** button. This causes the **Execute** button to appear.
6. Click the **Execute** button to complete the process.
7. View the credit distribution or the results of it on the **Account → Payments** screen.

To create a credit distribution programmatically

Use the `DirectBillPaymentFactory` API and the following methods:

```
payFromDefaultUnapplied( Account account,
                           MonetaryAmount amount,
                           DBPmntDistributionContext context )

payFromNegativeInvoiceItems( final Account account,
                             Iterable<InvoiceItem> negativeInvoiceItem,
                             DBPmntDistributionContext distributionContext )
```

The `allocateCredits()` method in the `DirectBillPayment` plugin handles the credit distribution allocation.

To modify a credit distribution

1. Go to the **Account → Payments** screen.
2. Click the **Credit Distributions** tab.
3. Find the credit distribution and select **Actions → Modify Distribution**.

On the **Modify Payment** screen, make your changes and click **Execute**.

To reverse a credit distribution

1. Go to the **Account → Payments** screen.
2. Click the **Credit Distributions** tab.
3. Find the credit distribution and select **Actions → Reverse**.

Moving Direct Bill Payments

BillingCenter allows you to move a payment from one account to another, or from an account to Suspense. Moving payments would be used if the payment was posted to the wrong account. In that case, you can move the entire payment to the correct account. You can also move the payment to Suspense if the account does not yet exist in BillingCenter.

To move a payment to another account

1. Go to the **Account → Payments** page or to the list of payments under **Recent Payments Received** on the **account Summary** page.
2. Find the payment you want to move, click **Actions** and choose **Move to Account**

3. Search for and select the account number. Optionally, enter a description. Choose one of the following three options (See “Entering a Single Payment” on page 285 for more detail):
 - Click **Execute** to use default distribution
 - Click **Execute Without Distribution** to execute the payment without distributing the funds
 - Click **Override Distribution** to modify the default distribution.

To move a payment to Unapplied of SuspensePayment

To move a payment from an account to the Unapplied T-account owned by SuspensePayment, perform the following steps:

1. Go to the **Account → Payments** page or the list of **Recent Payments Received** on the account’s **Summary** page.
2. Click **Actions** and choose **Move to Suspense**.
3. Enter any optional suspense payment details, and then click **Execute**. The account’s payment transaction is reversed, and the money is moved into the Unapplied T-account owned by SuspensePayment.

To verify the payment has been moved, go to its row in the **Recent Payments Received** section of the account’s **Summary** page to see that the payment has been reversed. To view the new suspense payment, go to **Desktop → Suspense Payments**.

Reversing Direct Bill Payments

In BillingCenter, you can make payment reversals using the BillingCenter reversal transaction. This allows you to reverse or rollback a payment already entered into BillingCenter. For example, if there is a problem with an incoming payment where the account to be drawn from has non-sufficient funds (NSF).

If you do a reversal, you also need to make sure that the billing plan associated with the account has an NFS Fee setting. This allows you to charge the insured a fee if their electronically debited account has insufficient funds.

Payments come into BillingCenter from an external system or through manual entry.

An external system can call the **PaymentAPI** web service method **reverseDirectBillPayment** to reverse a payment.

If the reversal is in response to a payment that requires modification or reversal, then you can enter the reversal using the **New Reversal Wizard** screen. Otherwise, make the modification to an existing payment on the **Payment** screen.

To reverse a payment

You can reverse a recent payment using the **Reverse** button on the **Account Summary** screen.

1. Go to the **Account → Payments** page or to the list of payments under **Recent Payments Received** on the account **Summary** page.
2. Find the payment you want to reverse, click **Actions**, and choose **Reverse**.
3. From the **Confirmed Payment Reversal** screen, select a reason for the reversal from the list of options and click **OK** to confirm the process.

For example, if the payment is automatic, usually an ACH/EFT, electronic debit or some sort of automatic process. The insured’s account is debited for the due amount, and BillingCenter is notified that payment has been received. If the automatically debited account has NSF (non-sufficient funds), BillingCenter does a reversal to reverse the credit to the account.

To reverse a suspense payment

A suspense payment can be reversed, even if it has been disbursed. Perform the following steps:

1. Select **Desktop → Suspense Payments**. Set the filter to an appropriate setting so the desired suspense payment is shown in the list.
2. Check the box on the row of the suspense payment to reverse.
3. Click **Reverse**, and then click **OK** to reverse the suspense payment.

Verify the suspense payment has been reversed by selecting **Desktop → Suspense Payments**. Notice the **Status** of the suspense payment is **Reversed**.

Modifying Direct Bill Payments

Payments are listed in the **Account → Summary** screen in the **Recent Payments Received** section. They are also listed in the **Account → Payments** screen. A payment can be modified by clicking the **Actions** button alongside the payment and then selecting **Modify Payment Details** from the drop-down list. The distribution of the payment can be overridden by similarly selecting **Actions → Modify Distribution**.

Payment modifications enable you to reallocate funds across policies. For example, two policies associated with an account have the allocation distributed as 40% of the payment to Policy1 and 60% of the payment to Policy2. You can modify the payment to reallocate 30% to Policy1 and 70% to Policy2.

Billing Levels

An account's billing level specifies whether invoices can include charges for one or multiple policies.

The billing level also affects how incoming payments are distributed. Depending on the billing level, a payment can be applied toward any policy owned by the account or toward a single, specific policy only.

This topic includes:

- “Types of Billing Levels” on page 299
- “Billing Levels and Unapplied T-Accounts” on page 302
- “Setting the Billing Level” on page 304
- “Effects of Changing the Billing Level” on page 305

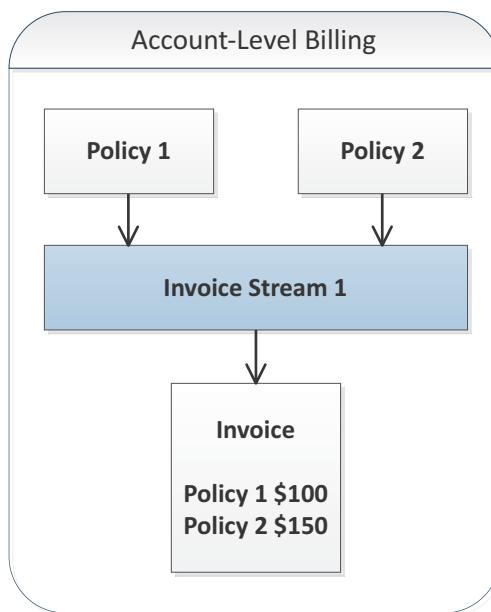
Types of Billing Levels

Every account has a billing level. The billing level is defined when the account is created and can be changed at any time. The billing level can be set either manually through the BillingCenter user interface or by processing a billing instruction sent by an external policy administration system.

BillingCenter supports two types of billing levels: account-level and policy-level. Policy-level billing can optionally support cash management, which attaches an incoming payment to a specific policy. If special operations are required that are not handled by the supported billing levels, a custom billing level can be implemented.

Account-Level Billing

With account-level billing, an individual invoice can include charges from multiple policies. As an example, assume an account that owns two policies. If both policies have the same periodicity—say, monthly—then both policies will be billed on the same monthly invoice stream. When an invoice is generated in the stream, it will include charges from both policies. Each policy charge will be a separate invoice item on the invoice, but the invoice will include items from both policies.

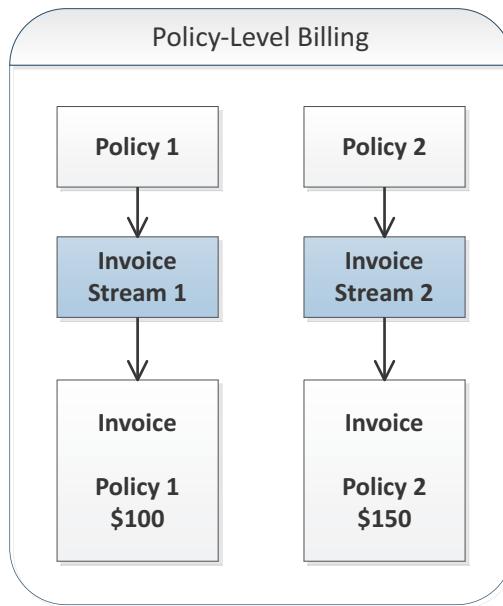


With account-level billing, incoming payments are applied to any policy owned by the account. The distribution of payments among the invoice charges is determined by the account's payment allocation plan. For details about payment distribution, refer to "Payment Allocation Plans" on page 123.

By consolidating charges from multiple policies onto a single invoice, fewer invoices are generated and fewer payments need to be processed.

Policy-Level Billing

With policy-level billing, each policy is invoiced on its own invoice stream. As a result, each generated invoice contains charges for a single policy only. Even if an account has two policies with the same periodicity, each policy will have its own invoice stream, and, therefore, two invoices will be generated, one for each policy.



With policy-level billing, incoming payments can be handled either with or without cash management.

Policy-Level Billing Without Cash Management

With policy-level billing without cash management, an incoming payment can be distributed to any policy owned by the account. This manner of applying incoming payments to invoice charges is identical to that used by account-level billing. Where policy-level billing without cash management differs from account-level billing is in the generation of invoices. Specifically, policy-level billing uses a separate invoice stream for each policy, while account-level billing shares an invoice stream among all policies with the same periodicity.

Policy-Level Billing With Cash Management

With policy-level billing with cash management, an incoming payment is applied only to the charges of a single policy. The distribution of the payment among the policy's individual charges is determined by the account's payment allocation plan. For details about payment distribution, refer to "Payment Allocation Plans" on page 123.

When an account is created, if no billing level is specified then policy-level billing with cash management is assigned by default.

Custom Billing

If the supported billing levels do not satisfy your billing requirements, a custom billing system can be configured. An example custom billing system might group several policies together based on internal requirements. An invoice stream could then be created to handle the policy group and generate invoices that include the group's charges. Also, incoming payments could be handled in such a way that they were applied only to the group's policies, as with policy-level billing with cash management.

Creating a custom billing level requires a substantial configuration effort. To achieve the desired functionality, each custom implementation will include operations unique to that configuration. Any attempt to describe such an individual and exclusive configuration is beyond the scope of this manual.

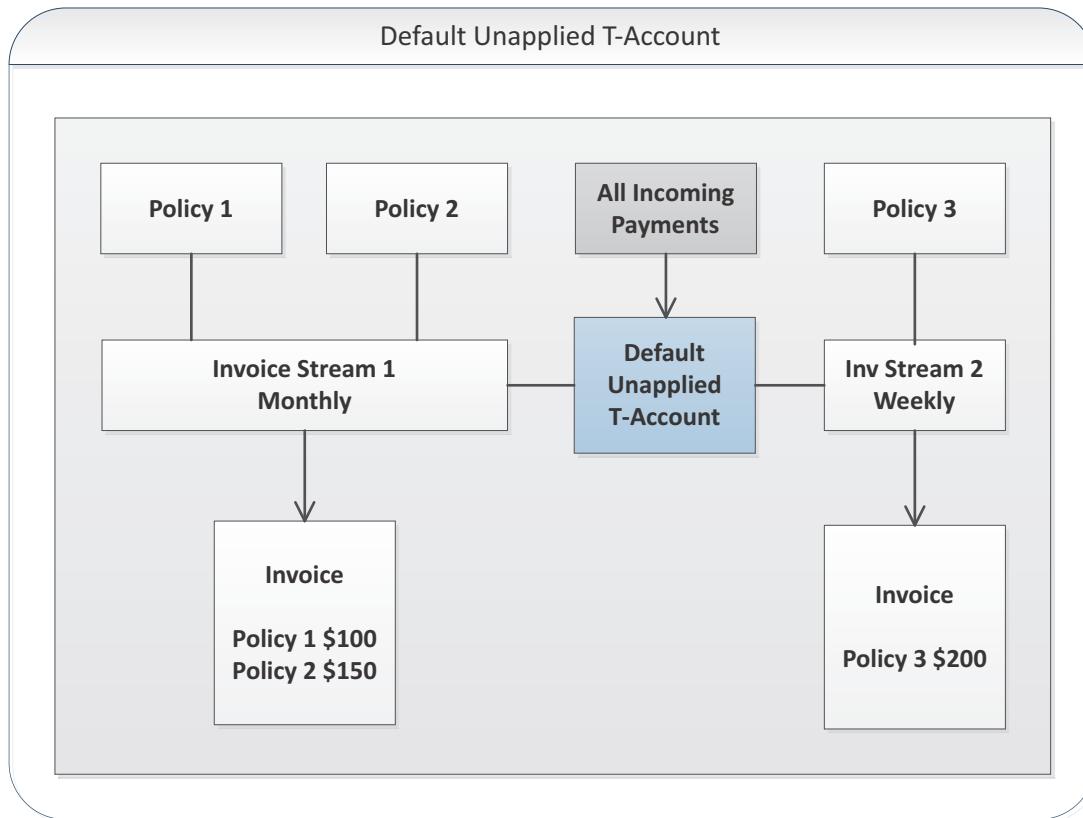
Billing Levels and Unapplied T-Accounts

Before an incoming payment is applied to individual invoice items, the payment is placed in an **Unapplied T-account**. BillingCenter supports two types of **Unapplied T-accounts**: *default* **Unapplied T-accounts** and *designated* **Unapplied T-accounts**. The account's billing level determines which type of **Unapplied T-account** is used to store an incoming payment. Further details are contained in the following sections that describe each type of **Unapplied T-account**.

The Default Unapplied T-Account

Every account has one default **Unapplied T-account**. Multiple default **Unapplied T-accounts** are not supported.

For account-level billing and policy-level billing without cash management, an incoming payment is initially stored in the account's default Unapplied T-account. When distributing the payment to individual invoice items, the money is taken from the default Unapplied and applied to any policy owned by the account. For details about payment distribution, refer to "Payment Allocation Plans" on page 123.



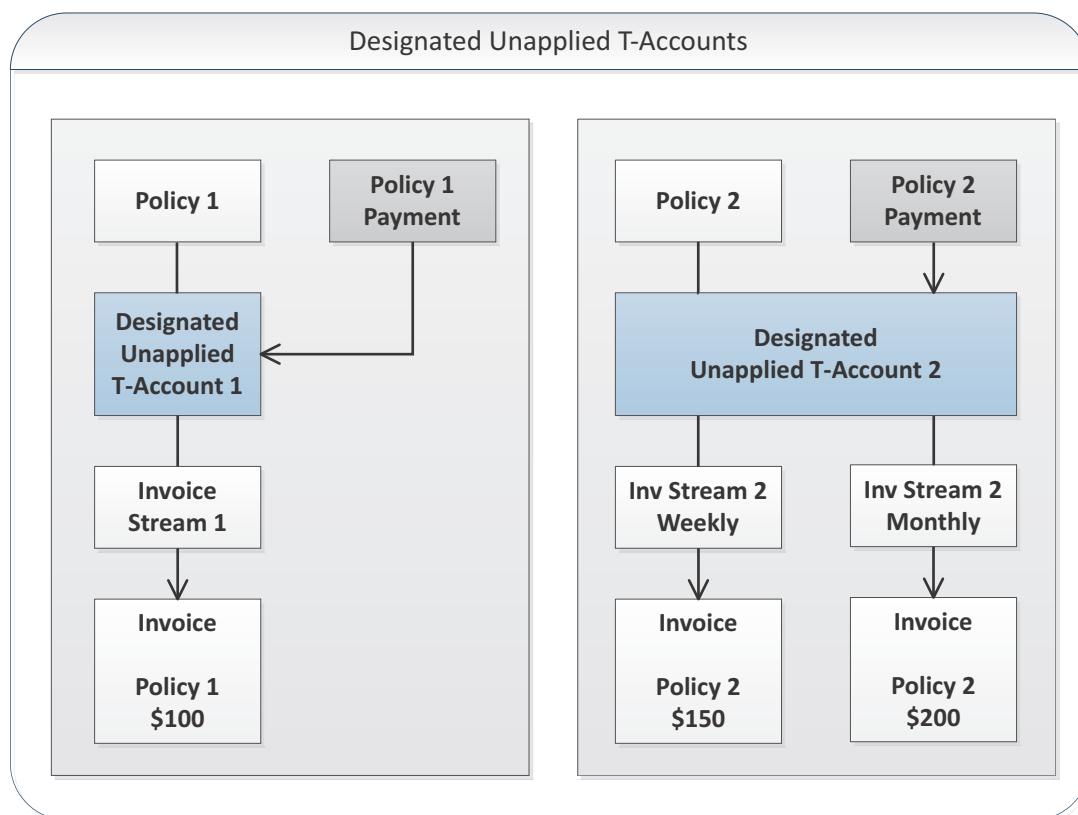
Designated Unapplied T-Accounts

Designated Unapplied T-accounts are used if the account is using policy-level billing with cash management. For all other billing levels, designated Unapplied T-accounts are neither used nor created.

The remainder of this section describes an account that is using policy-level billing with cash management.

A separate designated Unapplied T-account is associated with *each policy*. Thus, an account with three policies will have three designated Unapplied T-accounts. An incoming payment is initially stored in one of these designated Unapplied T-accounts. When the payment is distributed, the money is taken from the designated Unapplied and applied to the invoice items of the associated policy.

The diagram below shows an account with two policies. Each policy has its own designated Unapplied T-account. An incoming payment for Policy 1 is stored in the Policy 1 designated Unapplied. When the payment is distributed, the money is applied only to invoice items for Policy 1. Policy 2 has two invoice streams associated with it: a weekly stream and a monthly stream. This situation can occur when a policy is renewed and the new policy period changes the payment plan from weekly to monthly. A payment for Policy 2 is stored in the Policy 2 designated Unapplied. When the payment is distributed, the money is applied only to invoice items for Policy 2.



An account using policy-level billing with cash management also has a single default Unapplied T-account. An incoming payment that does not specify a particular policy is stored in this default Unapplied. When distributing the payment, the money can be applied to any policy in the account as determined by the payment allocation plan.

Setting the Billing Level

The billing level can be changed at any time. Depending on the original and new billing levels, the change has various effects. For details, see the section “Effects of Changing the Billing Level” on page 305.

The following sections describe how to set each billing level using the BillingCenter user interface.

Setting Account-Level Billing

To set the billing level to account-level billing, perform the following steps.

- With the relevant account active, display the **Summary** screen.

2. Click **Edit** to enter edit mode.
3. The billing level is specified in the **Invoice By** field. To set account-level billing, select **Account**.
4. Click **Update** to save the billing level.

Setting Policy-Level Billing Without Cash Management

To set the billing level to policy-level without cash management, perform the following steps.

1. With the relevant account active, display the **Summary** screen.
2. Click **Edit** to enter edit mode.
3. The billing level is specified in the **Invoice By** field. To set policy-level billing, select **Policy/Group**.
4. When policy-level billing is specified, a new field is shown called **Separate Incoming Funds By**. This field determines whether to enable cash management. To disable cash management, select **Account**.
5. Click **Update** to save the billing level.

Setting Policy-Level Billing With Cash Management

To set the billing level to policy-level with cash management, perform the following steps.

1. With the relevant account active, display the **Summary** screen.
2. Click **Edit** to enter edit mode.
3. The billing level is specified in the **Invoice By** field. To set policy-level billing, select **Policy/Group**.
4. When policy-level billing is specified, a new field is shown called **Separate Incoming Funds By**. This field determines whether to enable cash management. To enable cash management, select **Policy/Group**.
5. Click **Update** to save the billing level.

Effects of Changing the Billing Level

Changing the billing level effects the account's **Unapplied T-accounts**, its invoice streams, and the planned invoices on those streams.

Effects on the Invoice Streams

When the billing level is changed to policy-level billing with cash management, new invoice streams are created, as needed, so that each policy has its own invoice stream.

When the billing level is changed to account-level billing or policy-level billing without cash management, invoice streams are reused, combined, or deleted, as required under the new billing level. Each invoice stream under the new billing level references the account's default **Unapplied T-account**.

Every time the billing level is changed, all planned, unbilled invoice items are moved to their appropriate invoice stream under the new billing level. Items already billed under the previous billing level are left unchanged.

Effects on the Unapplied T-Accounts

When the billing level is changed to policy-level billing with cash management, a designated **Unapplied T-account** is created for each policy. For example, if the account has three policies, three designated **Unapplied T-accounts** are created, one for each policy. The new designated **Unapplied accounts** begin with a zero balance.

When the billing level is changed to account-level billing or policy-level billing without cash management, any positive balances in designated Unapplied T-accounts are transferred to the default Unapplied account. If a designated Unapplied T-account has a negative balance, the balance is zeroed out by transferring an equal amount from the account's default Unapplied.

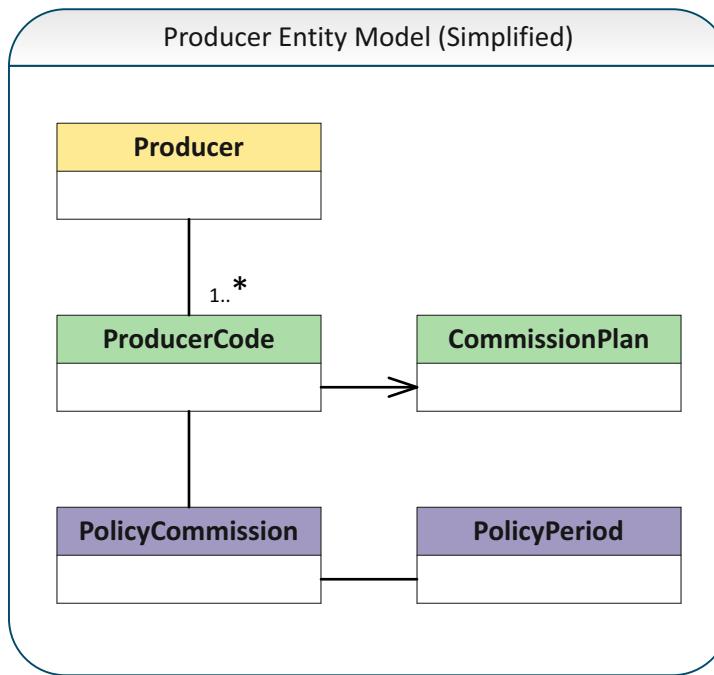
Commission Payments

The following topic covers BillingCenter commission payments.

This topic includes:

- “Producer Payments” on page 309
- “Moving Commissions from Reserves to Payable” on page 313

The BillingCenter Producer represents a three-level hierarchy of accounting entities (also known as T-account owners). At the top of the hierarchy is the Producer itself. Each Producer has one or more ProducerCode objects, and each ProducerCode is in turn associated with zero or more PolicyCommission objects. Understanding this hierarchy is key to understanding how commissions work in BillingCenter.



Note: The **PolicyCommission** represents a many-to-many relationship between **PolicyPeriod** and **ProducerCode**. **PolicyPeriod** has an array of **PolicyCommission** objects. A **ProducerCode** also has many **PolicyCommission** objects, but this number could be very large, which is why no array is declared between **ProducerCode** and **PolicyCommission** objects. Instead, **ProducerCode** objects enumerate their **PolicyCommission** objects, when they need to, using a query.

The following table defines the T-accounts associated with each level of the Producer hierarchy.

Producer hierarchy	T-accounts type	T-account	T-account Type Description
Producer	Commissions Advance	Asset	The total amount of commission advance being maintained for the Producer.
	Commissions Paid	Liability	The total amount to be sent to the Producer, if positive. If negative, the total amount owed by the Producer.
	Commissions Payable	Liability	The total amount of commission earned by the Producer. Note that this does not include the amount earned by other levels of the hierarchy, merely the amount earned by the Producer directly.
ProducerCode	Commissions Expense	Expense	The total amount of commission incurred by the ProducerCode directly.
	Commissions Payable	Liability	The total amount of commission earned by the ProducerCode directly.
PolicyCommission	Commissions Expense	Expense	The total amount of commission incurred by the PolicyCommission.
	Commissions Payable	Liability	The total amount of commission earned by the PolicyCommission.
	Commissions Reserve	Liability	The total amount of commission incurred by the PolicyCommission, that has not yet been earned.

Producer Payments

By default, BillingCenter provides a number of different ways to facilitate producer payment. They are:

- Automatic Payments
- Standard Payments
- Bonus Payments
- Advance Payments

Though they differ in some particulars, BillingCenter follows the same basic set of steps in working with producer payments:

1. First, BillingCenter determines the set of `CommissionsPayable` T-accounts in the producer hierarchy that apply to the payment. It may be that all apply. In other cases, it is only one or two. It all depends on the type of payment being made.
2. Then, BillingCenter moves the amounts in these T-accounts to the producer `CommissionsPayable` T-account.
 - If the resulting `CommissionsPayable` amount is positive, and the producer has an outstanding advance balance, BillingCenter pays as much of that balance as possible with the (positive) amount in `CommissionsPayable`.
 - If the amount in `CommissionsPayable` is still positive, BillingCenter makes a payment to the producer in that amount. This results in the creation of an `OutgoingPayment` object, which you can use to interface with an actual payment system.

The following sections describe the different types of producer payments in detail.

Automatic Payments

In addition to the manual payments described previously, producers are also paid automatically according to a schedule. When it comes time to auto-pay a producer, BillingCenter moves all the producer's earned amounts (meaning the `CommissionsPayable` T-accounts of all its `ProducerCodes` and their `PolicyCommissions`) to `CommissionsPayable`.

Automatic Payment Schedule

Two fields on the `Producers → Summary` screen define a producer's auto-payment schedule: `Payment Frequency` and `Commission Day of Month`.

The `Commission Day of Month` field specifies the day of month on which BillingCenter pays the producer. The `Payment Frequency` specifies the interval between commission payments. For example, BillingCenter auto-pays a producer with payment frequency of `Every Other Month` on 22-Feb-2010. After BillingCenter completes the auto-payment, the next commission payment will be two months later on 22-Apr-2010.

The `Producer Payment` batch process is responsible for detecting when it is time to auto-pay a producer.

Automatic Payment Accounting

As described previously, automatic producer payment involves rolling up the amounts in all the `CommissionsPayable` T-accounts in the producer hierarchy. But first, BillingCenter processes any bonus or advance payments that were scheduled `Pay With Next Payment`. The result of this process will be zero amounts in all the objects' `CommissionsPayable` T-accounts, and a final payment amount in the Producer's `CommissionsPayable` T-account.

However, before BillingCenter takes further action, it must first determine whether it is worth it to take action on the value in `CommissionsPayable`. Unlike manual payments, BillingCenter subjects automatic payments to additional restrictions that determine whether the automatic payment can move forward. If BillingCenter determines that the restrictions prevent the payment from moving forward, it reverses all the transactions, leaving everything as it was before the auto-payment commenced.

Automatic Payment Restrictions

The restriction on an automatic producer payment depends on whether the payment amount is non-negative or negative.

Non-negative Payment Restrictions

If the payment amount is positive or zero, then it must be greater than or equal to a minimum payment threshold (controlled by the `getProducerAutoPaymentThreshold()` method of the `ISystemParameters` plugin.) However, if the automatic payment includes any bonuses or advances (scheduled **Pay With Next Payment**), then the threshold does not apply. In other words, BillingCenter processes any automatic payment that includes a manual payment, regardless of the `ProducerAutoPaymentThreshold` value.

Negative Payment Restrictions

Restrictions for negative payment amounts are similar to those for non-negative, with additional restriction that BillingCenter takes no action if the producer has the **Suspend for Negative Amounts** flag set. To clarify, the `ProducerAutoPaymentThreshold` also applies to negative amounts. If the amount is negative, though, BillingCenter compares its magnitude to the threshold value.

Statement Generation

If the automatic payment is valid—meaning that it satisfies any payment restrictions—BillingCenter generates a statement, in addition to the actual payment that is made in case of a positive amount. Note that if BillingCenter determines that an automatic payment is valid, it generates a statement regardless of the sign of the amount. Thus, payment restrictions make a difference for zero or negative amounts: if the payment is not valid, BillingCenter does not generate a statement.

The statement captures all the commissions payable and payment activity for the producer since the previous statement, including all the activity resulting from this automatic payment.

Standard Payments

Usually direct bill producers are paid automatically. Whenever a producer statement has a credit balance, the payment is automatically created when the statement is produced. Some or all of the commission due to a producer can be released before the normal commission statement date, by manually making a standard payment.

You can start a manual commission payment from the Producer tab by selecting the Standard new commission payment action. The amount of the manual payment can be any amount up to the total payable to the producer (the default is all). You cannot pay more than is due. In the base application, only manager profiles have authority to make a manual payment to a producer. The `CommissionPmt` batch process checks for manual commissions that are scheduled to occur on a future date and executes commission payments whose scheduled date has passed.

A standard payment is one that is made manually by the user. It is made against one of a producer's `ProducerCodes`, and can be any amount up to the total amount currently payable to the `ProducerCode`. This payment is made effective immediately.

However, it is generally not necessary to make a standard payment to a producer, as BillingCenter automatically pays producers on a periodic schedule. Instead, you can use the standard payment, for example, as a way to make partial payments to a producer, outside of the automatic payment schedule.

Standard Payment Accounting

Standard payments use the following payable T-accounts:

- the relevant ProducerCode T-accounts associated with the producer
- any of the PolicyCommission T-accounts necessary to fulfill the payment request

For example, suppose that we have ProducerCode PC with PolicyCommissions PPC1, PPC2, and PPC3. The following table lists their payable balances:

Object	Payable
PC	100.00
PPC1	50.00
PPC2	50.00
PPC3	50.00

Thus, for PC, it is possible to make a standard payment in any amount up to \$250.00. A payment of, say, \$200.00, would leave the Payable T-accounts in the following state:

Object	Payable
PC	-
PPC1	-
PPC2	-
PPC3	50.00

Ordering

The determination of which PolicyCommissions are used to satisfy a payment request is based on the effective date of the PolicyPeriod. An earlier PolicyPeriod is considered before later periods.

Negative Amounts

Note that BillingCenter does not change the basic algorithm in the presence of negative amounts. Again, consider ProducerCode PC and PolicyCommissions PPC1, PPC2, and PPC3, but with the following payable balances:

Object	Effective Date	Payable
PC	N/A	100.00
PPC1	22-Feb-2007	-50.00
PPC2	2-Mar-2007	50.00
PPC3	22-Apr-2007	100.00

For a standard payment request of \$125.00, the resulting payable balances would be:

Object	Effective Date	Payable
PC	N/A	-
PPC1	22-Feb-2007	-
PPC2	2-Mar-2007	-
PPC3	22-Apr-2007	75.00

Note that it is possible to have satisfied the request by drawing from PC and PPC2, but PPC1 is for an earlier PolicyPeriod, so BillingCenter considers it first. Its negative balance reduces the total amount paid to \$50.00. This requires BillingCenter to draw the full amount from PPC2, plus an additional \$25.00 from PPC3, in order to reach \$125.00.

Bonus Payments

The purpose of a bonus commission is to reward a producer by granting additional commission beyond that which the producer has normally earned. It is made against one of the producer's producer codes.

A bonus payment is made manually by the user. You can start a manual bonus commission payment from the Producer tab by selecting the Bonus new commission payment action.

Bonus commission may be added to the next producer's statement or paid separately (this assumes that bonus has been calculated externally). In the base application, only manager profiles have authority to enter bonus commission. The payment of a bonus commission is subject to authority limits in the same way as transfers and disbursements (it has its own limit within a user's authority limit profile).

Bonus Payment Accounting

When BillingCenter executes a bonus payment, it first executes a `Producer Code Bonus Earned` transaction in order to add the amount of the bonus to the producer code's `CommissionsPayable` balance. Then, it moves the amount of the bonus to the Producer's `CommissionsPayable`, as happens with all payments.

Bonus Payment Scheduling

You can schedule a bonus payment in one of three ways:

Pay Immediately	An immediate bonus payment takes place immediately, as with Standard Payments.
Pay On Date	A future bonus payment takes place on some future date. The "Commission Payment" batch process is responsible for making the payment on or after the future date.
Pay With Next Payment	BillingCenter processes the bonus with the next Automatic Payment.

Advance Payments

An advance payment is made manually by the user. Its purpose is to pre-pay a producer, in anticipation of future business. Every advance has a finite lifespan, determined by its `Maintaining` field. When the advance expires, any remaining amount that had not been earned by the producer immediately becomes owed by the producer back to the carrier. You can also think of an advance as a no-interest loan that must be paid back in full by some date.

Advance Payment Accounting

When BillingCenter executes an advance payment, it first executes a `Producer Advance Payable` transaction in order to add the amount of the advance to the Producer's `CommissionsPayable` balance.

A key difference between advance payments and other types of producer payments is that you can never use advance payments to pay back other advances. For example, suppose that a producer has a current advance balance (`CommissionsAdvance` T-account) of \$300.00. The user wants to make another advance payment of \$700.00. The `Producer Advance Payable` transaction brings the total advance balance up to $\$300.00 + \$700.00 = \$1,000.00$.

Using non-advance payment rules, BillingCenter would use the \$700.00 to pay off the existing advance balance. This would leave an advance balance of \$300.00 and nothing for the producer. Instead, when determining how much advance balance to pay off, BillingCenter ignores any amount that is itself an advance. So, in this example, the producer's advance balance would remain \$1,000.00, and the carrier would send a payment of \$700.00 to the producer.

Advance Payment Scheduling

You can schedule an advance payment in the same ways as you can schedule a bonus payment. See “Bonus Payment Scheduling” on page 312.

Advance Payment Expiration

The BillingCenter Expire Advances batch process is responsible for detecting and expiring advances whose **Maintain Until** date has passed. When an advance is expired, BillingCenter issues a **Producer Advance Expired** transaction. This transaction is the opposite of a **Producer Advance Payable** transaction: it reduces **CommissionsAdvance** and **CommissionsPayable** at the producer level.

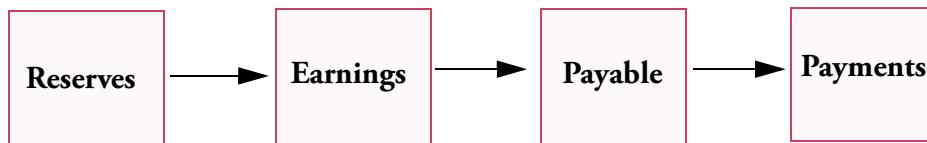
If the producer has one outstanding advance, the entire advance balance is reduced to zero. However, a producer may have multiple outstanding advances, each with different expiration dates. In such cases, BillingCenter only reduces the advance balance to the amounts of the non-expired advances. For example, suppose that we have a producer with the following outstanding advances:

Advance	Amount	Expiration Date
A1	500.00	22-Feb-2007
A2	500.00	22-Mar-2007
A3	300.00	22-Apr-2007

Furthermore, suppose that the producer has an advance balance of \$900.00. (It has repaid \$400.00 of its \$1,300.00 in advances.) It is now 22-Feb-2007, and time to expire A1. To determine the amount of the **Producer Advance Expired** transaction, BillingCenter looks at the total of the non-expired advances, A2 and A3: \$500.00 + \$300.00 = \$800.00. Thus, there is a \$900.00 - \$800.00 = \$100.00 difference between the producer's current advance balance and what is expected. As a result, the **Producer Advance Expired** transaction has an amount of \$100.00, and the producer will owe the carrier \$100.00.

Moving Commissions from Reserves to Payable

Commission becomes payable to the producer when the producer's earning criterion (specified in the commission plan) is met. BillingCenter tracks commissions at the item level. See “Item Commission Balances” on page 152 for details on how BillingCenter handles commission balances. To make payments to a producer, BillingCenter moves funds from the producer's Reserves to Payments as shown below:



Setting Up the Reserves

When BillingCenter issues a policy or a charge, it creates a reserve for the responsible producer or producers. The *reserve* is the amount that the carrier expects to pay the producer over the lifetime of the policy. When the producer earns the commission, the reserve amount is reduced by that amount. The producer is associated with a policy by means of a *producer code*. The producer code is a unique identifier that links the producer with a specific commission plan. The commission plan determines the amount and method of a commission payment paid to the producer.

You see the reserve amount for a producer in the **Commission Reserve** field on the **Producer Summary** screen.

Moving to Earnings

The *earnings* are the portion of the reserve that is earned by the producer based on the underlying trigger for the earnings event. When the earnings event that triggers the move happens, BillingCenter moves the funds. The earnings trigger is specified in the **Earn Commissions** field of the commission subplan associated with the producer. Options include:

- On First Payment Rec'd
- On Binding
- On Billing
- On Invoice Fully Paid
- On Effective Date
- On Expiration Date

If the carrier pays the producer **On Binding**, when the policy is bound, the process is triggered. BillingCenter runs **Commission Payable Calculations** batch process and moves the appropriate amount from the policy producer commission charge **Reserves** to policy producer commission charge **Earned**.

For example, suppose the policy amount is \$5000, the commission amount is 10%. On binding, the amount due the producer is \$500. After the **Commission Payable Calculations** batch process is run, BillingCenter moves \$500, which previously was in the policy producer commission charge **Reserves** to policy producer commission charge **Earned**.

You see that the Earned amount has moved from the **Commission Reserve** field to the **Payable to Producer** field on the **Producer Summary** screen.

Moving to Payable

The payable amount is the amount that is to be paid to the producer. To move the earnings amount to payable at the producer level, BillingCenter moves the funds from policy producer commission charge **Earned** to producer **Payable**.

Most commission earning criteria are made instantly payable and do not require the batch process to move the funds from policy producer commission charge **Earned** to producer **Payable**.

You will see the Payable amount has moved from the **Payable to Producer** field to the **Commission Paid Year to Date** field on the **Producer Summary** screen.

The **Earned** and **Payable** amounts are both payable amounts in BillingCenter. The difference is that they are associated with different producer codes. The **Earned** amount is associated with the policy producer commission charge producer code and the **Payable** amount is associated with the producer producer code.

The agency bill process is different in that the carrier does not collect the commission payments for the producer.

Direct Bill Write-offs

This topic covers direct bill write-offs including the charge-offs and commission write-offs available in BillingCenter.

This topic includes:

- “Direct Bill Charge Write-offs and Commission Write-offs” on page 315
- “Direct Bill Charge Write-off Transactions” on page 316
- “Direct Bill Commission Write-off Transactions” on page 316
- “Working with Direct Bill Write-offs” on page 317
- “Direct Bill Write-offs and Delinquencies” on page 317
- “Direct Bill Write-off Batch Processes” on page 318

Direct Bill Charge Write-offs and Commission Write-offs

BillingCenter provides you with access to transactions that you can use for various types of write-offs that you can use with direct bill processing. This includes two categories of transactions:

- Charge write-offs are used for any uncollected funds that a customer may owe you or for amounts that you may owe the customer at the account, policy, or charge-level. This includes write-offs; negative write-offs and reverse negative write-offs; and write-off reversals.
- Commission write-offs are used for direct bill producers. At the direct bill level, commission write-offs are at the producer unapplied level and deal with the amounts that producers have in their reserve accounts.

A *write-off* is also known as a charge-off. Write-offs remove the (usually very small) amount not expected to be paid by the insured, from the account balance. This reduces the value of an asset by the amount of the loss. The uncollected amount that is written off is recorded as an expense. You can handle these types of transactions either automatically or manually.

- Handle write-offs automatically, if the Low Balances Invoices settings in the billing plan specify a write-off and an amount threshold is set in the delinquency plan.
- Handle write-offs manually, if working in the user interface by selecting the specific transaction.

The transactions are:

Write-off Transactions	Descriptions
Direct Bill Write-offs	
Write-off	Writes off an amount due from an insured, when the amount is not expected to be paid.
Negative Write-off	Writes off the excess amount of a payment made by the insured, for which the carrier is unable to remit to the insured.
Reverse Write-off	Reverses an amount that was previously written off and subsequently paid.
Negative Write-off Reversal	Reverses a negative write-off by remitting the previously written off excess payment to the insured.
Write-off Commission	Writes off commission owed to the producer.
Write-off Commission Recovery	Writes off a commission owed by the producer to the carrier. This amount represents the commission that the carrier wants to recover from the producer.

Direct Bill Charge Write-off Transactions

Charge write-off transactions include the following:

- Write-off
- Negative Write-off
- Reverse Write-off
- Negative Write-off Reversal

BillingCenter records the write-off transactions in **Accounts → Journal** for account-level write-offs or in **Policy → Journal** for policy-level write-offs. The **Journal** in which charge-level write-offs appears depends on the T-account owner of the item's charge pattern. For example, the premium, taxes, and installment and reinstatement fee charge patterns have **policyperiod** as the T-account owner. Invoice, late, and payment reversal fees have account as the T-account owner.

When an amount is written off at the account or policy period level, a Write-off is created for that charge. The write-off transaction debits the **Expense** T-account and credits the **Charge due** T-account, effectively lowering the amount an insured owes for a given charge.

Direct Bill Commission Write-off Transactions

BillingCenter records the commission write-off transactions in **Producer → Journal** for commission-level write-offs. This is where you can view a list of the underlying transaction subtypes that BillingCenter used to support the actual commission write-off transaction. The following topics cover transactions for either direct bill commissions.

Direct Bill Write-offs

Direct bill commission write-off transactions include the following:

- Write-off Commission
- Write-off Commission Recovery

When a carrier owes a commission amount to a producer, BillingCenter debits the **Commission Reserve** T-account (liability) and credits the **Commission Negative Write-off** T-account. When a producer owes a commission amount to the carrier, BillingCenter credits the **Commission Reserve** T-account (liability) and debits the **Commission Write-off** T-account.

Working with Direct Bill Write-offs

Write-offs can be handled automatically when payment is made and BillingCenter checks the threshold settings in either the billing or delinquency plans to automatically handle write-offs. However, write-offs also can be handled manually in the user interface as follows:

Write-off Transactions	See the following BillingCenter Screen:
Direct Bill Write-offs	
Write-off	<p>From Account → Actions → New Transaction → Write-Off → New Write-Off Wizard</p> <p>Choose either an account or policy for the write-off and select the target.</p> <p>Provide write-off details (charge pattern, amount, and reason.)</p>
Negative Write-off	<p>From Account → Actions → New Transaction → Negative Write-Off → Target</p> <p>Choose either an account or policy for the negative write-off and select the target.</p> <p>Provide the amount for the negative write-off.</p>
Charge Reversal	<p>From Account → Actions → New Transaction → Charge Reversal → New Charge Reversal Wizard</p> <p>Select the charge to be reversed.</p> <p>Specify the dates.</p> <p>Select the related account or policy.</p>
Reverse Write-off	<p>From Account → Actions → New Transaction → Write-Off Reversal → New Write-Off Reversal Wizard</p> <p>Select reason for write-off.</p> <p>Specify amount to be written off.</p> <p>Specify the dates.</p> <p>Specify any related charge pattern.</p> <p>Specify the related account or policy.</p>
Negative Write-off Reversal	<p>From Account → Actions → New Transaction → Negative Write-Off Reversal → New Write-Off Reversal Wizard</p> <p>Specify the transaction number.</p> <p>Select the transaction type.</p> <p>Specify the dates.</p>
Write-off Commission	<p>From Producer → Actions → Write-Off Commission → Policies</p> <p>Select the commission payable amount to be reduced.</p>
Write-off Commission Recovery	<p>From Producer → Actions → Write-Off Commission → Policies</p> <p>Select the commission recovery amount to be written off.</p>

Direct Bill Write-offs and Delinquencies

When BillingCenter writes off an expense, it checks the delinquency plan associated with the account. If the amount to be written off is below the **Write-Off Threshold** specified in the delinquency plan, the amount is written off. Otherwise, the unpaid premium amount could trigger a delinquency. You can specify the following **Amount Thresholds** in the delinquency plan:

- Write-Off Threshold amount
- Delinquency Threshold (Account) amount
- Delinquency Threshold (Policy) amount
- Cancel Policy amount
- Exit Delinquency amount

See “Amount Threshold” on page 130 for details on when to specify these amounts.

Direct Bill Write-off Batch Processes

The Write-off Staging batch process distributes any undistributed imported write-offs that will be used after the staging table data is loaded.

Disbursements

This topic describes how BillingCenter handles disbursements. This includes how disbursements are created, approved, or rejected. A disbursement is a refund that pays a customer back funds from an account. In BillingCenter, a *Disbursement* entity is created that has a trigger date and is assigned a dollar amount and a due date.

This topic includes:

- “Manual Disbursements” on page 319
- “Automatic Disbursements” on page 320
- “Disbursing Suspense Payments” on page 321
- “Disbursement Approval or Rejection” on page 321

Manual Disbursements

In BillingCenter, you create a manual disbursement to pay back funds from an account at a future date. BillingCenter automatically approves a manual disbursement unless it is over your level of authority. In which case, it goes into the awaiting approval state. Otherwise, no additional action needs to take place once you create the disbursement. The approved disbursement will be paid on the due date.

To make a manual disbursement

1. Navigate to **Desktop**, and select **Actions** → **New Transaction** → **Disbursement** to open the **Create Disbursement Wizard**.
2. In the wizard’s **Step 1 of 3**, select the account on which the disbursement is to be made.
3. In **Step 2 of 3**, select the amount to be disbursed, the date the disbursement needs to be made, and the reason for the disbursement. If not included, fill in payee information.
4. In **Step 3 of 3**, confirm the disbursement.

To confirm that BillingCenter created the disbursement, perform either of the following actions:

- Select **Account** → **Disbursements** to view a list of disbursements associated with a specific account.
- Select **Desktop** → **Disbursements** to view the list of disbursements for a particular date range or status.

To assign responsibility for the disbursement of an approval activity:

1. Sign into BillingCenter as Super Visor or as the sign in with group-level authority.
2. From Desktop → My Activities, select the activity that you want to assign.
3. Click Assign. This takes you to the Assign Activity screen where you can select the individual you want to assign the activity to or approve it.

To view details about a disbursement, from Desktop → Disbursements, select the link in the Reason column.

The Manual Disbursement Process Flow

BillingCenter creates a disbursement when the Disbursement entity has the Status field set to Approved and the due date is before the current date.

Other possible values for Disbursement.Status are:

- Awaiting Approval
- Sent
- Rejected
- Reapplied
- Voided

A disbursement is paid by triggering a DisbursementPaid transaction in which money is moved from an account's Prepaid T-account to its Cash T-account and the system generates a check.

Automatic Disbursements

BillingCenter can create and process disbursements automatically. Like manual disbursements, automatic disbursements can be viewed in the Disbursements screen.

The AutomaticDisbursement batch process creates disbursements based on various trigger values. The qualification process used by the batch process to create an automatic disbursement is described in “Automatic Disbursement Batch Processing” on page 123 in the *System Administration Guide*.

The following fields on the Billing Plan set the criteria for triggering an automatic disbursement:

Review Disbursements Over	Indicates that approval is needed prior to processing disbursements greater than the value set in this field. Any disbursement amount greater than this value will have its Approved status equal to false and require you to approve the transaction. The Approved status indicated whether any additional action needs to take place before the system pays the disbursement.
Delay Disbursement Processing Days	Sets the due date for the disbursement this many days after the trigger date. Note that: <ul style="list-style-type: none">• The <i>due date</i> is the date on which the disbursement will be paid to the responsible account.• The <i>trigger date</i> is the date on which the system creates the disbursement.• The <i>account</i> is the entity responsible for paying the disbursement.
Automatic disbursement when surplus exceeds amount available for disbursement plus	Triggers a disbursement when the surplus on the account exceeds the amount available for disbursement by this value.
Calculate amount available for disbursement as	Controls how the amount available for disbursement is calculated. The available settings are: <ul style="list-style-type: none">• UnappliedMinusAUC – Unapplied funds minus amount under contract• UnappliedMinusBilled – Unapplied funds minus amount billed

The Disbursement batch process is another batch process related to disbursements. It identifies disbursements ready to be paid and creates an appropriate payment. The qualification process used by the batch process to pay a disbursement is described in “Disbursement Batch Processing” on page 129 in the *System Administration Guide*.

Disbursing Suspense Payments

To disburse a suspense payment, perform the following steps.

1. Select Desktop → Suspense Payments. Set the appropriate filter so the desired suspense payment is shown.
2. Check the box of the suspense payment you wish to disburse.
3. Click Create Disbursement to start the Create Account Disbursement Wizard.
4. Advance through the wizard, filling all required fields and any desired optional fields. Click Finish to confirm the disbursement and complete the wizard.

To verify the suspense payment was disbursed, select Desktop → Disbursements to view the disbursement.

Disbursement Approval or Rejection

Any disbursement in the awaiting approval state needs to be approved through the BillingCenter application before the system will issue it. On the Disbursement Detail page, under Edit mode, you can do the following:

- Approve a disbursement, sets the Approved status to true.
- Reject a disbursement, marks the disbursement as will not be paid.

You can approve disbursements up to your level of authorization. If the disbursement is for an amount higher than the your level of authorization, it is automatically set to the awaiting approval state. While the disbursement is in the awaiting approval state you have the ability to:

- Edit the disbursement up until the issue date.
- Assign the disbursement to different users.
- Reject the disbursement up until the payment is issued.

You can specify how BillingCenter will automatically handle disbursements in the Disbursements section of the associated Billing Plan.

Billing Plan disbursement options:

Create automatic disbursements with associated approval activities

Yes Specifies that the disbursement will be create automatically with associated approval activities.

No Specifies that the disbursement will not be create automatically with associated approval activities.

Send automatic disbursements awaiting approval on their due dates

Yes Specifies that the disbursement will be paid automatically if the due date arrives before the disbursement is approved.

No Specifies that the disbursement will not be paid automatically if the due date arrives before the disbursement is approved.

Note: A rejected disbursement will appear in the Account History. When you reject a disbursement, BillingCenter calls the `rejectDisbursementBehavior()` method to determine how to handle the rejection on the Disbursement Detail screen. See “Place or Release Holds on Accounts, Policies, or Producers” on page 114 in the *Integration Guide* for information on this method.

Direct Bill Delinquency

This topic explains the direct bill delinquency process. A *delinquency* is a process that launches and coordinates the steps necessary to handle problems such as an overdue amount.

This topic includes:

- “Direct Bill Delinquency Process” on page 323
- “Direct Bill Delinquency Workflows” on page 324
- “Equity Dating” on page 325
- “Tracking Delinquencies” on page 325
- “Creating Delinquency Holds” on page 325

Direct Bill Delinquency Process

The delinquency process can initiate cancellation or reinstate a delinquent account or policy. BillingCenter initiates a delinquency automatically if an invoice is past due. You can also start a delinquency manually.

BillingCenter uses the delinquency plan and associated delinquency workflows to handle the delinquency process.

Each delinquency occurs for a reason such as a payment being past due or the insured failing to send a premium report. The delinquency plan associates each delinquency reason with an appropriate workflow type for handling that delinquency.

The workflow consists of a network of steps for managing the delinquency. These steps execute tasks such as waiting for a grace period to elapse, sending a dunning letter, creating an approval activity, and contacting a collection agency.

The delinquency process cannot directly cancel the policy. Instead, BillingCenter sends notification to the policy administration system (PAS) to initiate the cancellation. The PAS does the actual cancellation and then sends the cancellation amount to BillingCenter in a billing instruction. At that point, BillingCenter either bills the insured for the balance owed or disburses the refund. The delinquency process may also include a step to write off trivial amounts if that is what the carrier wants to define. For smaller amounts, the carrier may choose to cancel the policy without attempting to recover the unpaid amount.

Delinquency Plans

You must select a delinquency plan for each account. You can optionally assign a delinquency plan to a policy period. If a policy becomes delinquent, BillingCenter uses the account delinquency plan if the policy period does not have an associated delinquency plan. BillingCenter also uses the account delinquency plan if the delinquent amount is an account-level charge. BillingCenter uses the policy period delinquency plan if it exists and the delinquent charge is for the policy period.

A delinquency plan definition has two parts, general settings and workflow settings. General settings apply to all delinquencies that the plan handles. Workflow settings are specific to each delinquency reason handled by the delinquency plan.

General Settings

The delinquency plan general settings define how BillingCenter handles delinquencies for accounts and policies. You can determine which accounts are to be targeted for cancellation, the threshold amounts that, if reached, initiate a delinquency, and any delinquency-related fees you want to assess. The delinquency plan also lets you specify a grace period, which allows you to extend additional time for insureds to pay their invoices. See “Delinquency Plan General Tab” on page 129 for details.

Workflow Settings

The delinquency plan workflow settings specify the reasons that initiate a delinquency for a policy or an account, and the workflow and associated events for each delinquency reason.

Direct Bill Delinquency Workflows

The delinquency reason on delinquency plan identifies the delinquency workflow process to run. The workflow controls the overall progress of an active delinquency process.

BillingCenter defines a set of reasons for why the delinquency process started in the `DelinquencyReason` type-list. You can extend this typelist to add your own delinquency reasons if necessary. Guidewire also provides a base configuration workflow for many of the base configuration delinquency reasons.

The delinquency plan specifies a list of events for each workflow in the plan. The workflow must implement each event specified by the delinquency plan.

See also

- “Delinquency Plan Workflow Tab” on page 131 for details on how to specify workflows for a delinquency plan.
- “BillingCenter Workflows and Delinquency Plans” on page 413 in the *Configuration Guide* for an explanation of how to create a new workflow or edit an existing one.

Equity Dating

Equity dating enables you to monitor the difference between payment received and services provided. To do this, track the **Paid Through** date for the policy period.

The **Paid Through** date of a policy is the date and time up to which payments received will provide coverage. With no additional payments from the insured, a carrier can provide service until this date and time without any equity risk. The **Paid Through** date is sometimes referred to as the *equity date* or the *published date*.

The **Paid Through** date is not a stored value. It is calculated dynamically and on demand, such as in the **Policy Summary** screen. In the base configuration, the **Paid Through** date is calculated as 12:01 a.m. of the day *after* coverage has been paid through. For example, if you open a policy on June 1 and make a payment for only the first day, the calculated **Paid Through** date is 12:01 a.m. June 2.

The **Paid Through** date can be used to trigger delinquency events. For example, if the insured does not make a payment on time, you can initiate the cancellation process.

Tracking Delinquencies

The Delinquency Plan associated with an account or policy determines when a delinquency occurs.

You can view delinquencies on the **Desktop → My Delinquencies** screen. By default, the screen shows new delinquencies opened in the current week, as specified by the **New opened (this week)** option. To view all open delinquencies, select the **All open** option. A delinquency is listed if its status is **Open**, **Error**, or **OnHold**. (A delinquency's status is shown on the account's or policy's **Delinquencies** screen.) The delinquencies are ordered so that the most recently created items are shown at the top of the list.

Delinquency events provide a way to track the progress of a delinquency through the delinquency workflow. A delinquency event is a notification signaling the start of a delinquency or its advancement to the next stage in the workflow. The **My Delinquencies** screen displays the most recent event that has occurred for each delinquency. Delinquency events and workflow are defined as part of a delinquency plan. For details about delinquency plans, events, and workflow, see “**Delinquency Plans**” on page 127

In addition, a delinquent account or policy displays an alert message at the top of its **Summary** screen to flag it as delinquent. The alert message includes the reason for the delinquency.

Creating Delinquency Holds

If necessary, you can halt the execution of the delinquency workflow process by creating a trouble ticket hold. Select **Delinquency** as a hold item in the Trouble Ticket wizard.

The hold is released after the trouble ticket is closed, either manually or because the trouble ticket release date has passed. After the trouble ticket is closed, the delinquency process resumes from the same place in the process where it was stopped.

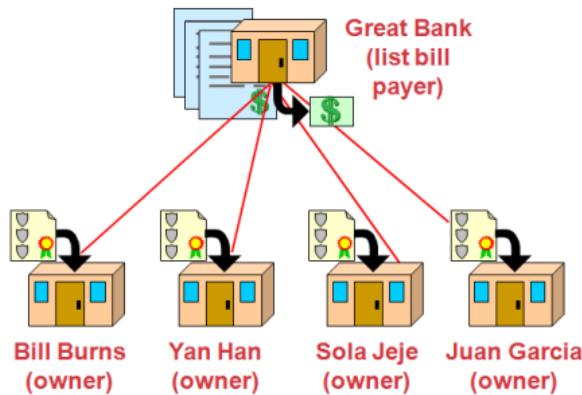
part X

List Bill Processing

List Bill Processing Overview

List bill is a billing method where one account makes payments for a large number of insureds. The insured accounts own the individual policies, but the list bill account is the payer. List bill accounts never represent actual insureds and so cannot own policies (they pay for policies owned by someone else).

In list bill invoicing, there are three parties with interest in the billing of the policy: the carrier, the insured, and the payer. The payer is typically either a bank or an employer of the insured. For example, a mortgage bank may sign an agreement with a carrier to collect homeowners insurance premiums from individual homeowners. The mortgage bank then pays the premiums for all enrolled accounts to the carrier. Each homeowner owns a policy and makes payments to the mortgage bank. The mortgage bank collects payments from the homeowners at the same time as the mortgage payment.



A list bill account is primarily distinguished in BillingCenter by its account type, which is **List Bill**. It also differs from other account types because it has a predefined list of payment plans that it supports. A list bill account is the only type of account that has associated payment plans.

A list bill account must have at least one payment plan and it typically has more than one. The payment plans correspond to the schedule already used by the list bill owner for some other purpose. For example, a bank might collect homeowner's insurance premiums along with monthly mortgage payments. Another example is when an employer collects premiums from its employees by withholding premiums from each employee's paycheck. In this case, the employer would only offer payment plans having a periodicity corresponding to the payroll cycle.

List Bill Accounts

The important features of a list bill account are:

- Payer for several policies owned by other accounts
- Predefined list of payment plans
- Predefined set of invoice streams
- Does not own policies
- Does not have collateral

This topic includes:

- “Viewing List Bill Accounts and Policies” on page 331
- “Creating and Editing List Bill Accounts” on page 332
- “Account-level Charges for List Bill Accounts” on page 332
- “List Bill Policies” on page 333

Viewing List Bill Accounts and Policies

List bill policies are shown in the user interface both on the owner account list of policies and the list bill payer account list of policies. To view policies associated with either type of account, find the relevant account and select **Policies** from the sidebar of the **Account** tab.

Payer Tab

All policies that are paid but not owned by the current account are listed on the **Payer** tab of the **Policies** screen. So the policies for which a list bill account is the assigned payer are listed on this tab.

Owned Tab

All policies that are owned by the current account are listed on the **Owned** tab of the **Policies** screen. If the account is both owner and payer, the policy is listed on the **Owned** tab only.

The **Owned** tab is never shown for list bill accounts because these accounts cannot own policies.

Creating and Editing List Bill Accounts

List bill accounts are usually created programmatically when a policy administration system (PAS) sends account information to BillingCenter, using the `BillingAPI` web service. See “Create an Account from an External System” on page 91 in the *Integration Guide* for more details.

You can also create a new list bill account manually.

Creating a List Bill Account

To create a new list bill account in the BillingCenter user interface:

1. Choose the **Account** tab.
2. Click the **Actions** menu and select **New Account**.
3. Set the **Type** to **List Bill**.
4. Complete the general account information.
5. Add at least one **Payment Plan**.
6. Add an **Invoice Stream** for each payment plan periodicity.

You cannot create the new account unless you add a payment plan and an invoice stream. List bill payers already have a set way that they pay the carrier. For example, an employer pays employees twice a month on the fifteenth and last of the month. In this case, the list bill payer needs only one payment plan and one invoice stream to match the employer's payroll. Some companies offer multiple payroll choices. In this second case, you would associate additional payment plans and invoice streams to support the payroll schedules.

Editing a List Bill Account

After you create a list bill account, you can add more invoice streams to the account from the **Account → Invoices** screen. You cannot manually add payment plans to a list bill account once it has been created.

Account-level Charges for List Bill Accounts

BillingCenter always uses a monthly stream for all account-level charges.

If the list bill payer incurs an account-level charge, such as a late fee or a payment reversal fee, BillingCenter first looks for an existing monthly invoice stream. If no monthly stream exists, BillingCenter creates it. The account-level charges are placed on the monthly invoice stream. However, the new monthly stream is used for account-level charges only. This is the only case where BillingCenter ever creates an invoice stream dynamically for a list bill account.

If there is more than one monthly invoice stream, the `InvoiceStream` plugin is called to determine which invoice stream to use. For more detail, see “Invoice Stream Plugin” on page 180 in the *Integration Guide*.

Note: A list bill payer—especially one that has a long established relationship with the carrier—rarely incurs account-level charges.

List Bill Policies

A *list bill policy* has a billing method of **List Bill**. The overriding payer of the policy is an account of type **List Bill**. This account cannot be the owner of the policy. It also must have an overriding invoice stream selected that belongs to the overriding payer account. The only payment plans it is eligible to choose are those defined on the overriding payer account.

Adding Policies to a List Bill Account

BillingCenter and the policy administration system (PAS) maintain shared policies and policy periods. Typically, BillingCenter receives policy details from the PAS, creates the new policy and policy period, and associates it with the relevant account. See “Issue a New Policy Period” on page 92 in the *Integration Guide* for more details.

Creating a New List Bill Policy

It is also possible to create a new policy manually through the BillingCenter user interface.

To create a new policy or policy period and associate it with an existing list bill account:

1. Find the relevant account (the owning account for the policy, where **Type** is *not* **List Bill**) and display it in the **Account** tab.
2. Select **Actions** → **Add Policy**.
3. Set the **Billing Method** to **List Bill**.
4. Set the **Overriding Payer Account** to a list bill account.
5. Select an available payment plan and invoice stream. The choices are filtered by the available payment plans and corresponding invoice streams associated with the list bill account.
6. Complete the remaining policy setup information in **New Policy Wizard Step 1 of 2**.
7. From **New Policy Wizard Step 2 of 2**, click **Add** to enter the charges for the new policy period.

For each charge, select a type (such as **Premium** or **Taxes**) and enter the amount. Optionally, you can specify a charge group to associate this charge with other related charges.

Note: As with other policies, you can select an account other than the default payer list bill account as payer for a specific charge.

8. Click the **Finish** button to complete the process.

Switching an Existing Policy to List Bill

An existing policy can be switched to a list bill account by changing the policy’s billing method. For details, see “[Changing the Billing Method on a Policy](#)” on page 215.

Editing List Bill Policies

You may also edit a list bill policy. You can switch a list bill policy to a different list bill account. For example, when the owner of a homeowner’s policy refinances, if new mortgage bank also offers list bill, the policy must be updated to have a new overriding payer account.

You can switch to a different overriding stream on the same list bill account. You can also change the payment plan to another payment plan available on the same list bill account.

To switch a list bill policy from one list bill payer account to another:

1. Click the button in the **Invoicing Overrides** field.

2. Click **Update List Bill**.
3. Click the search icon.
4. Select **List Bill** in the **Type** field to filter your results to show only list bill accounts.
5. Click **Search**.
6. Click **Select** to choose the new list bill account. BillingCenter returns to the previous screen.
7. Choose a payment plan. Only the payment plans associated with the newly selected list bill account are available.
8. Choose an invoice stream. Only invoice streams with periodicities compatible with the payment interval of the selected payment plan are available.
9. Click **Next**.
10. Choose whether to move all invoice items or only planned invoice items.
11. If you are moving all invoice items, depending on whether the payment plan is changing or not, the following choice is offered:
 - a. If there is a payment plan change, choose whether to **Redistribute** payments for all invoice items or only for billed or due invoice items.
 - b. If the payment plan is not changing, choose whether to **Reverse** payments for all invoice items or only for billed or due invoice items.
12. Click **Finish** to complete the process.

To change the invoice stream or payment plan of a list bill policy:

1. Take note of the **Overriding Payer** account number for use on the next screen.
2. Click the down arrow button in the **Invoicing Overrides** field.
3. Click **Update List Bill**.
4. Click the search icon.

Note: You cannot enter the account number directly in this field. You must use the search screen to select the list bill account and then return to this screen.
5. Enter the **Overriding Payer** list bill account number of in the **Account Number** field to filter your results to show only the current list bill account in your search results.
6. Click **Search**.
7. Click **Select** to choose the current **Overriding Payer** list bill account. BillingCenter returns to the previous screen.
8. Choose a payment plan.
9. Choose an invoice stream.
10. Click **Next**.
11. Choose whether to move all invoice items or only planned invoice items.
12. If you are moving all invoice items, depending on whether the payment plan is changing or not, the following choice is offered:
 - a. If there is a payment plan change, choose whether to **Redistribute** payments for all invoice items or only for billed or due invoice items.
 - b. If the payment plan is not changing, choose whether to **Reverse** payments for all invoice items or only for billed or due invoice items.

Click **Finish** to complete the process.

part XI

Agency Bill Processing

Agency Bill Processing Overview

This topic introduces the agency bill processing part of this guide. *Agency bill processing* means that the producer bills the insured for any charges associated with an account or policy, and the insured makes payments directly to the producer. The producer then pays the carrier, minus the amount owed to the producer for commission.

As part of agency bill processing, the carrier needs to do the following:

- *Set up an agency bill producer in their system.* This includes associating a commission plan with the producer to set the percentage of the premium that the producer earns as commission. The commission plan also sets when and how the producer earns the commission.
- *Associate the producer with an agency bill plan.* The bill plan indicates whether BillingCenter generates a monthly statement for the producer or if the producer sends a listing of the amounts the producer owes to BillingCenter.
- *Manage any exceptions that result from differences between what the producer pays and what the carrier believes the producer owes.*
- *Manage agency bill write-offs, delinquency processing, and premium reporting.*

Agency Bill Cycles

This topic discusses agency bill cycles. BillingCenter generates cycles for agency bill producers. The carrier can use either of two billing methods for agency bill producers: statement bill or account current. For both methods, the carrier sends a statement to the producer for each billing cycle and the producer handles invoicing accounts and collecting payments. If using the statement bill method, the producer withholds the appropriate amount of commission from collected payments and sends the remainder of the payments to the carrier. If using the account current method, the producer sends a promise to the carrier. Payment needs to be received by the end of each cycle.

This topic includes:

- “Agency Bill Statements and Cycles” on page 341
- “Generating an Agency Bill Cycle” on page 341
- “What Affects Agency Bill Cycles” on page 342

Agency Bill Statements and Cycles

A *cycle* is a container for agency bill statements and possibly promises. Cycles have a one to one relationship with a statement or a promise and are generated with the frequency of one month. When BillingCenter generates the cycle, it updates the statement with the most current information about the invoice items. It also may change the status of the current cycle from **Planned** to **Open**, **Closed**, or even **Past Due** as appropriate. The cycle is governed by the agency bill plan associated with the producer. The agency bill plan tracks the specified threshold settings and contains the **Cycle Close Day of the Month**. The cycles are generated after the **Cycle Close Day of the Month**.

Generating an Agency Bill Cycle

When an agency bill producer, with an agency bill plan, is associated with an agency bill policy, BillingCenter generates the first cycle with a list of **Planned** statements. You can view these statements from **Producer** tab by first selecting a specific producer and then choosing **Agency Bill Cycles**. to see the generated cycles for that producer. By selecting any one of the statements from the list, you can view the details on the **Agency Bill Statement** screen.

Cycles continue to be generated each period for a given producer. The cycles are generated each month for each producer (and consequently, an agency bill workflow process started for it), regardless of whether or not the cycle will contain empty statements.

Each statement shows the producer status for the specific date that the statement was created. If you look at the statement, the information is live. However once created, the statement can be used as a record of what invoice items the producer was responsible for during that time period.

If the producer disagrees with the amounts listed for particular invoice items, these disputes may result in the generation of exceptions. These exceptions are added to the **Exceptions** screen for that producer. See “Agency Bill Exceptions” on page 355 for details.

Filtering Agency Bill Cycles

You can filter agency bill cycles by status and associated invoice stream:

- Filtering By Status
- Filtering By Invoice Stream

Filtering By Status

To view the cycles and list of statements or promises for the first time, use the **Show** filter at the top of the **Agency Bill Cycles** screen. This filter’s options reflect the type of details that you want to view. The default for this filter is **Open**, so by default BillingCenter only displays cycles with the **Open** status. If you want to view cycles with the status of **Planned**, **Closed**, or **All**, adjust the filter accordingly.

Adjusting the filter is important as the original list may not yet contain any **Open** cycles as BillingCenter first generates cycles for a producer.

Filtering By Invoice Stream

To view the cycles by invoice stream, select that stream from the **Invoice Stream** filter or choose **All** to view those with any status. This filter only shows the streams that exist for that account. For example, if the cycle is associated with the **Monthly** invoice stream, then **Monthly** will appear in the filter list.

What Affects Agency Bill Cycles

In addition to updating the generated cycle each month with the most current information on the producer’s invoice items, agency bill cycles can also be affected by the following:

Agency Bill Workflows

An *agency bill workflow* defines the events that take place during an agency bill cycle. It defines an agency bill cycle, which is the period of time it takes to process the actions involved in the completion of one statement invoice. The associated workflow type is a required field in the agency bill plan. The workflow is where you configure the behavior that you want to occur for each event. You can view a list of events associated with the cycle at the bottom of the **Agency Bill Cycles** screen.

Cycle Close Date

The **Cycle Close Day of the Month** is specified on the agency bill plan. This setting indicates the day of the month on which the billing cycle is closed. No further invoice items with dates after this day will show up on that cycle’s statement. After the cycle close date, a statement-related batch process can be run that changes the status of the statement, if appropriate.

Payment Term (Days)

The **Payment Terms (Days)** is specified in the **Terms** section of the associated agency bill plan. This setting determines the amount of time between the **Cycle Close Date** and the **Date Due**.

Show Previous Non-Past-Due Amounts

The **Show previous non-past-due amounts** is specified in the **Statements** section of the associated agency bill plan. The default setting is **No**. However if this option is set to **Yes**, any payments not yet made in full, but not past due, will be placed on the next **Open** statement.

Agency Bill Statement-Related Batch Processes

The following two statement-related batch processes have the following effect on the statements:

- **Statement Billed** – This batch process changes the status of **Planned** agency bill statements whose billed date has passed to the **Open** status.
- **Statement Due** – This batch process changes the status of **Open** agency bill statements whose open date has passed to **Past Due**.

Agency Bill Payments

This topic covers how BillingCenter handles agency bill payments for statements, promises, and credit distributions. BillingCenter offers two types of agency bill processing: statement bill and account current. Producers using statement bill processing receive a generated statement from the carrier for each cycle. Producers using account current processing send a promise to pay to the carrier indicating their gross and commission amounts and the net amounts that they feel they owe. The payments that producers make are applied toward their statements or promises.

This topic includes:

- “Agency Bill (Statement) Processing” on page 345
- “Making Agency Bill Payment Distributions” on page 347
- “Agency Bill Payments Handling” on page 348
- “Agency Bill Promise Handling” on page 351
- “Agency Bill Credit Distributions Handling” on page 352
- “Agency Bill Validation” on page 353

Agency Bill (Statement) Processing

Unlike direct bill processing, which generates invoices, agency bill processing generates cycles and statements. Producers make payments based on these statements or submit promises that indicate the amounts that they will eventually be paying. You enter these payments and promises into BillingCenter and keep track of the amounts during the lifecycle of the policy period. Any differences between the amounts the carrier expects to receive and the payments the producer makes are tracked as exceptions.

When payments are received for agency bill payments, they are handled by the following two transactions:

Agency Money Received: Places funds received for payment into the producer’s unapplied funds account.

Charge Paid From Producer: Moves funds from the producer’s unapplied account to the applicable premium paid account.

Agency Bill Payment Processing

Agency bill payment processing can be handled automatically for each producer based on the payment terms specified in the agency bill plan associated with the producer. This includes the generation of the cycles, statements, exceptions, or events. For example, an event such as the creation of a dunning letter to be sent to the producer if a payment or promise is not received by a specified date. These types of events are configured in the agency bill workflow. See “Configuring Dunning Notices in the Agency Bill Plan” on page 142 for details.

Statement Bill Processing

Statement bill support allows BillingCenter to produce a statement for each producer when an agency bill relationship exists between the carrier and the producer. The statement provides details of how much the producer expects to pay the carrier for income generated from a set of agency bill policies associated with the producer. See “Agency Bill Payments Handling” on page 348 for details on working with agency bill payments.

Each statement shows the producer’s status for the specific date that the statement was created. If you look at that statement, the information is the most current. However once created, the statement can later be used as a record of what invoice items the producer was mailed for that time period. If the producer disagrees with the amounts listed for particular invoice items, these disputes may result in the generation of exceptions. Any exceptions are added to the **Exceptions** screen for the producer. See “Agency Bill Exceptions” on page 355 for more details.

On the agency bill plan, you specify the producer’s **Cycle Close Date**. BillingCenter uses this date to determine when to generate the new statement (cycles). You specify how you want BillingCenter to handle the statement processing using the settings in the **Statement** section of agency bill plan. See “Agency Bill Plans” on page 135 for more details.

On the producer’s cycle closing date, all **Unbilled** invoice items are aggregated on the statement. The details are provided as a list of new or previously billed invoice items. They include:

- Gross amounts
- Commission amounts
- Commission rates
- Net amounts

The statement, created for each producer, is a bill to the producer that lists all of the producer’s invoice items. It indicates the status of the statement using the following:

- Planned: indicates that the statement has not been billed, but will be at a future date.
- Open: indicates that the statement is billed.
- Closed: indicates that the statement has been paid.
- Past Due: indicates that the statement has not been paid.

Account Current Processing

Account current support allows the producer to provide details to the carrier on the amounts that they promise to pay. On closing date, no statement is sent to the producer. Instead at a designated time after the cycle close date, a *Promise to Pay* is due from the producer. If a Promise to Pay is not received from the producer by the specified date, an exception can be generated. Also, the agency bill workflow events can trigger a reminder being sent to the producer. The values provided on the promise include the expected gross, commission, and net amounts in dollars or percentages, for each listed item. See “Agency Bill Promise Handling” on page 351 for details on working with agency bill promises.

On the agency bill plan, you specify how you want BillingCenter to handle agency bill processing if the producer is using account current. You can set these specifications in the **Account Current** section of the agency bill plan. See “Agency Bill Plans” on page 135 for more details.

BillingCenter analyzes the expected values and the subsequent values entered on the Promise to Pay. If there are differences, it creates a Statement of Exceptions that is sent to the producer. If the producer has information that can clear up any exceptions, they provide the information to the carrier prior to the date that payment is due. The carrier uses the information to clear up any exceptions that can be resolved and updates the Promise to Pay. Payments are expected on the **Due Date** agreed upon in the agency bill plan.

Making Agency Bill Payment Distributions

An agency bill distribution includes any money received for a payment and the item to be paid. Generally, the item to be paid is the producer's bill for a given cycle. When money is received for a payment, the funds are first placed in the `Unapplied` T-account of the owner of the charge. From there, funds are used to pay for the items on the statement.

Agency Bill Payments (`AgencyBillMoneyRcvd`)

In BillingCenter, payments made to the carrier are tracked by BillingCenter as `AgencyMoneyReceived`. The producer keeps the commission and remits the net amount to the carrier. This is the amount used to make a payment.

`Agency Bill Money Received` (`AgencyBillMoneyRcvd`) refers to money received or promised from an agency for a payment. It identifies the producer associated with the payment. The `AgencyMoneyReceived` entity is a subtype of the `PaymentMoneyReceived` entity from which it inherits the payment details, methods and apply dates and the `execute()` method.

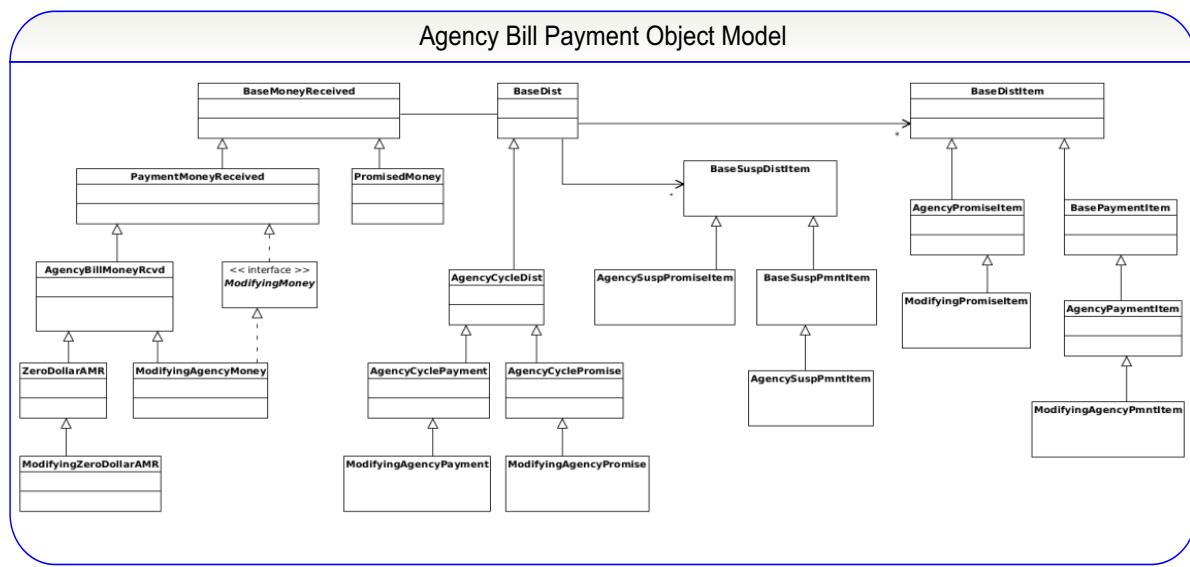
Agency Bill Payment Items (`AgencyPaymentItem` or `AgencyPromiseItem`)

In BillingCenter, the payment items (net amount owed or promised to the carrier) are the agency payment items or agency promise items that appear on the statement invoice.

A *payment item* is a portion of the payment that is applied to a specific item. The `AgencyPromiseItem` entity is a subtype of the `BaseDistItem` entity from which it inherits gross and commission amounts to apply and the executed and reversed dates. The `AgencyPaymentItem` entity is a subtype of the `PaymentDistItem` entity. It also inherits gross and commission amounts to apply and the executed and reversed dates from the `BaseDistItem` entity.

The `BaseDistItem` and its subtype `PaymentDistItem` both have a one-to-many relationship with the invoice items included in the distribution.

The following diagram shows how BillingCenter classes handle an agency bill payment distribution:



Processing Agency Money Received

BillingCenter creates payments (`AgencyBillMoneyRcvd`) as follows:

- Manually, through payments that you enter into BillingCenter
 - Programmatically, through calls to methods of the `PaymentAPI` class, targeting a specific statement
- The `payToProducerUnapplied` method applies a payment to an agency bill producer's `Unapplied` T-account.

BillingCenter combines the payment (`AgencyBillMoneyRcvd`) with any payment or promise items to create a distribution. A *distribution* contains any associated payment or promise items and a description of how the payments are to be applied to those items.

When the payment is executed and the funds distributed, BillingCenter uses the `PremiumPaidFromProducer` transaction to move the funds to the appropriate T-account. Agency bill promise items can be included in the distribution along with other payment item but they do not use the accounting transactions during execution. A payment involves the use of transactions to move the money. However, they do not use transactions during execution, so the item technically is *not paid*.

BillingCenter distributes the payment as follows:

- Programmatically, from preupdate rules configured to check for and make payments without exceptions
- Manually, from the **Producer → Agency Bill Payment** screen. See “Working with the Agency Bill Payment Screens” on page 349 for more details.

Agency Bill Payments Handling

In BillingCenter, agency bill payments are handled manually. This includes creating, viewing, modifying, and executing payments and handling exceptions. See “Working with Agency Bill Exceptions” on page 355 for more details.

Creating New Agency Bill Payments

Select **Producer → Actions → New Agency Bill Payments** to show the **Agency Bill Payment** screen. Enter the payment amount and other required fields. The payment can optionally be distributed towards a statement, policy, or promise.

- If the payment is not being distributed, click **Next**. You are asked to confirm the payment. Click **Finish** to complete the transaction.
- If the payment is being distributed to **Statements and Policies**, add the statements to receive the distribution by clicking **Add Statements**. From the list of eligible statements, check the desired statements and click **Add Statements**. Click **Next** to show the **Agency Bill Payment: Distribution** screen. Enter any desired adjustments and click **Next** to show the **Agency Bill Payment: Disposition** screen. Enter any final adjustments and click **Finish** to complete the distribution. For details on the available distribution operations, see “Working with the Agency Bill Payment Screens” on page 349.
- If the payment is being distributed to a **Promise**, select the appropriate promise and click **Next** to view the **Agency Bill Payment: Distribution** screen. Enter any desired adjustments and click **Next** to show the **Agency Bill Payment: Disposition** screen. Enter any final adjustments and click **Finish** to complete the distribution. For details on the available distribution operations, see “Working with the Agency Bill Payment Screens” on page 349.

Working with the Agency Bill Payment Screens

From the **Agency Bill Payment: Distribution** screen, you can make any necessary modifications to the payment prior to distribution. The available operations are listed below.

- Save the payment without executing it.
- Add or view any suspense items.
- Add other planned items to the payment.

By clicking **Next** and advancing to the **Agency Bill Payment: Disposition** screen, the available operations are listed below.

- Change the disposition of any exceptions. For example, carry the exception forward or write it off.
- Execute the payment.

The **Agency Bill Payment: Distribution** screen is shown below.

The screenshot shows the **Agency Bill Payment: Distribution** screen. At the top, there are buttons for **Cancel**, **< Back**, **Next >**, **Save**, and **Suspense Items**. Below this is a header for "Yard-10-Glazed: All policies in multiple statements". The main area is divided into two sections: **Payment Info** and **This Payment**.

Payment Info:

Payment	\$163.64
Other Unapplied	-
Total Available	\$163.64

This Payment:

Distributed	\$163.64
In Suspense	-
Remaining	-

Below these sections is a table titled "Modify Amounts" with the following columns: **Add Items**, **Distribute By ***, **Item**, **Net Owed**, **Copy**, **Net To Apply**, **Details**, **Difference**, and **Comments**. The table contains three rows of data:

Add Items	Distribute By *	Item	Net Owed	Copy	Net To Apply	Details	Difference	Comments
	*	PP-Shoes-15-Ice Cream-1	\$163.64		\$90.00			
	*	1000000229	2	07/15/2014	Down Payment - Premium	\$90.00	\$90.00	
	*	1000000230	1	08/15/2014	Installment - Premium	\$73.64	\$73.64	

Red arrows point from the text "Adjust the Net To Apply amounts or click the Details icon to view and modify details." to the **Net To Apply** column and the **Details** column respectively. Another red arrow points from the text "Additional items can be added by clicking Add Items." to the **Add Items** button. A red box highlights the **Details** column header. A red box also highlights the **Edit Details** link located to the right of the **This Payment** section.

Adjust the **Net To Apply** amounts or click the **Details** icon to view and modify details. Additional items can be added by clicking **Add Items**. Change how the items are viewed by setting the **Distribute By** field.

When the desired fields are set, click **Next** to continue to the **Agency Bill Payment: Disposition** screen which shows a summary of the distribution. If any undistributed money remains, it can be stored in the producer Unapplied T-account or written off.

Click **Finish** to execute the payment distribution or **Save** to complete the distribution at a later time.

Editing Payment Details

From Producer → Agency Bill Payments screen, select a payment and click **Edit**. Click **Next** to advance to the **Agency Bill Payment: Distribution** screen. For details on the available distribution operations, see “Working with the Agency Bill Payment Screens” on page 349.

Reversing an Existing Agency Bill Payment

From Producer → Agency Bill Payments screen, select a payment and click **Reverse**. Select the reason for the reversal and click **OK** to confirm the transaction.

Moving a Payment to a Different Producer

From Producer → Agency Bill Payments screen, select a payment and click **Move to Different Producer**. Select the producer to receive the payment and click **OK** to confirm the transaction.

Splitting an Agency Bill Payment

From Producer → Agency Bill Payments screen, select a payment and click **Split**. Select the producer and amount to split. The payment can be split between two or more producers. Click **Execute** to complete the transaction.

Using Suspense Items with Agency Bill Payments

If a promise or payment includes a policy that is unbound and does not exist yet in BillingCenter, then apply the amount to **Suspense** as a suspense item. For additional information, see “Using Suspense Items” on page 291.

Processing Payments that Do Not Match the Expected Amount

An agency bill payment can be for an amount that differs from what BillingCenter expected. This situation can occur when the payment includes policies that BillingCenter does not know about or when the policies have changed, resulting in different charge amounts. The amount paid for commission can also be higher or lower than expected. The unexpected amount also generates an agency bill exception that must be handled separately.

As an example, assume BillingCenter expects a payment of \$1000, but receives a payment of \$1100.

The best practice method for handling this situation is to allocate \$1000 to the agency bill invoice and store the remaining \$100 in a suspense item. Later, when the reason for the “overpayment” becomes known, the suspense item can be released and appropriately distributed.

Note: It is not recommended to overpay the \$1000 charge by allocating the full \$1100 to the invoice.

BillingCenter does not let the totals be “cleaned up” by distributing -\$100 to the overpaid charge and \$100 to the new charge when the reason for the “overpayment” becomes known. Such “clean up” transactions are disallowed in order to maintain data validity. However, for situations where the producer over-retains commission and subsequently submits the difference, BillingCenter does allow the adjustment of agency bill commission amounts.

See also:

- “Suspense Payments and Items” on page 289
- “Using Suspense Items” on page 291
- “Agency Bill Exceptions” on page 355

Producer Unapplied T-account

Funds received from a producer for a payment will be deposited into the producer’s Unapplied T-account for the following reasons:

- The funds do not match the expected amount
- The **Auto-process if statement /promise total equals payment amount** in the Agency bill plan is set to No

The funds will eventually be used to resolve any exceptions. However, if BillingCenter detects a mismatch in the payment, this is where the funds will be deposited. Funds will remain in the producer's Unapplied T-account until the funds are manually applied.

Generating an Agency Bill Statement

The agency bill statement is generated along with the cycles according to the **Cycle Close Date** specified in the associated agency bill plan. See "Generating an Agency Bill Cycle" on page 341 for details.

Viewing Agency Bill Statements

You can view a promise from **Producer → Agency Bill Cycles** action → **Agency Bill Cycles** screen. Select the statement that you want to view from the **Statement #** column. View the details of the statement from the **Agency Bill Statement** screen.

Agency Bill Promise Handling

In BillingCenter, agency bill promises are handled manually. This includes creating, viewing, modifying, and executing promises and handling exceptions. See "Working with Agency Bill Exceptions" on page 355 for more details. You can manage agency bill promises as follows:

Creating New Agency Bill Promises

Select **Producer → Actions → New Agency Bill Promise** to show the **Agency Bill Promise** screen. Enter the promise amount and other required fields. Click **Add Statements** and select the statements the promise will be distributed to. Click **Next** to advance to the **Agency Bill Promise: Distribution** screen.

In the **Agency Bill Promise: Distribution** screen, you can make any necessary modifications to the promise prior to distribution. The available operations are listed below.

- Save the promise without executing it. To view a saved promise, go to the **Agency Bill Promise** screen and select the statement associated with the saved promise. Click **Next** to view the **Agency Bill Promise: Distribution** screen. To create a new promise for the statement, discard the saved promise prior to creating the new promise.
- Add or view any suspense items.
- Add other planned items to the promise.

By clicking **Next** and advancing to the **Agency Bill Promise: Disposition** screen, the promise distribution can be executed.

The Agency Bill Promise: Distribution screen is shown below.

*#	*Statement #	#	*Statement Date	Item	Net Owed	Copy	Net To Apply	Details	Difference	Comments
	PP-Shoes-15-Ice Cream-1				\$163.64				\$90.00	
	1000000229	2	07/15/2014	Down Payment - Premium	\$90.00		\$90.00			
	1000000230	1	08/15/2014	Installment - Premium	\$73.64		\$73.64			

Adjust the **Net To Apply** amounts or click the **Details** icon to view and modify details. Additional items can be added by clicking **Add Items**. Change how the items are viewed by setting the **Distribute By** field.

When the desired fields are set, click **Next** to continue to the **Agency Bill Payment: Disposition** screen which shows a summary of the distribution. Click **Finish** to execute the promise distribution or **Save** to complete the distribution at a later time.

Viewing Agency Bill Promises

You can view a promise from **Producer** → **Agency Bill Promises** sidebar. Select either **Executed Promises** or **Saved Promises** to view the relevant transactions.

Agency Bill Credit Distributions Handling

A credit distribution can be used to pay unsettled invoice items.

The batch processes that automatically distribute payments also automatically distribute credits. However, if you want to target specific invoice items for credit distribution, you can use the **Agency Bill Credit Distribution** wizard to manually apply credit to specific unsettled invoice items.

For example, suppose a *Good Driver* discount reduces the premium of an auto policy after the policy is issued. You can use the **Agency Bill Credit Distribution** screens to release the credit from the discount and use the resulting money to pay unsettled invoice items.

A **PremiumPaid** transaction is created for the credit distribution. It moves funds from the producer **Unapplied** T-account to the **Premium Paid** T-account.

Creating New Agency Credit Distributions

1. Select **Producer** → **Actions** → **New Agency Credit Distribution** to show the **Agency Bill Credit Distribution** screen.
2. Click **Add Statements** to show the **Add Statements** screen. Click **Search** to list the statements eligible to receive the credit distribution. Check the desired statements and click **Add Statements** to view to the **Agency Bill Credit Distribution: Distribution** screen.
3. Set the desired field values and click **Next** to view the **Agency Bill Credit Distribution: Disposition** screen.

4. Set the desired field values and click **Finish** to complete the distribution.

Viewing Agency Bill Credit Distributions

To view a producer's credit distributions, select the **Producer** → **Agency Bill Payments** sidebar → **Credit Distributions** menu link.

To edit the distribution, check the desired distribution and click **Edit**.

Agency Bill Validation

You may not create an agency bill policy period unless that policy period has a primary producer who has an associated agency bill plan. BillingCenter issues a validation error if this is attempted. If you get this validation error, return to the **Producer Summary** screen, click the **Edit** tab and select an agency bill plan from the drop down list. Return to the policy period that you are creating and select the producer again.

Payments that do not match exactly what BillingCenter expects cause exceptions to be generated that require manual intervention. This process is handled by the Account Representative (Account Rep) associated with the Producer. The Account Rep is assigned by the carrier to work with the producer to resolve any exceptions relating to payments or promises.

Agency Bill Exceptions

This topic describes the agency bill exception management process. BillingCenter keeps track of exceptions for payments and promises and provides you with a way to resolve the exceptions. Producers make payments or submit promises based on an agreed upon time frame. BillingCenter tracks that payments match the expected amounts, that promises are received in a timely manner, or that late payments or promises are handled. If payments or promises do not match what is expected or if either is late, an exception occurs which must be manually handled by an agency bill account rep.

Exception items occur when there is at least one payment against an invoice item. After payment is applied, the following applies to either the gross or commission amounts paid on the invoice item:

- Payment exceptions occur when a payment made on a statement item is not equal to zero (non zero) or a flag occurs on the item.
- Promise exceptions occur when the promise amount for the invoice item is not equal to zero (non zero).

Currently, exception items are non persistent entities in BillingCenter.

This topic includes:

- “Working with Agency Bill Exceptions” on page 355
- “Common Causes for Exceptions” on page 357
- “Common Exception Resolutions” on page 357
- “Payment Mismatch Exceptions” on page 358
- “Promise Mismatch Exceptions” on page 360
- “Late Payments” on page 361
- “Late Promises” on page 362

Working with Agency Bill Exceptions

During the agency bill statement cycle for a producer, an exception can occur if:

- There is a mismatch with the payment or promise amounts.
- The payment or promise is late.

If this occurs, you need to manually resolve the exception or trigger a delinquency in BillingCenter. The idea is to resolve the exception first in the Agency Payment Wizard. However, if this is not possible, you can view and then manage exceptions from either the **Agency Bill Exceptions** screen or from the **My Agency Items** screen.

Use **My Agency Items** to view a list of exceptions for all producers that have you as their account rep. See “**My Agency Items**” on page 363 for details on using that screen. This topic covers how to handle exceptions for one producer at a time.

Managing Exceptions by Producer

To manage agency bill exceptions by producer, use the **Agency Bill Exceptions** screen. To view the **Agency Bill Exceptions** screen, select the producer you want to view and, from the sidebar, select **Agency Bill Exceptions**.

From the **Agency Bill Exceptions** screen you can handle any exceptions that occurred during a given cycle for the producer. Select the tab for the type of exception you want to view.

- Payment Mismatch Exceptions
- Promise Mismatch Exceptions
- Late Payments
- Late Promises

The reason for the exception is described in the **Event** column.

- **Gross Mismatch** – The producer took the expected amount, but BillingCenter thinks that the installment amount is incorrect. Producer may have taken the wrong amount from gross payment.
- **Commission Mismatch** – The amount taken by producer does not match the BillingCenter expectations based on the producer’s commission plan.

To resolve payment or promise exceptions, see either “**Resolving Payment Exceptions**” on page 358 or “**Resolving Promise Exceptions**” on page 360.

Managing Exceptions From One Location

To manage agency bill exceptions from one location, use the **My Agency Items** screen. From this location, you can view all producers with at least one exception that have you as their Account Rep. Account Reps have primary responsibility for resolving agency bill exceptions. To get to the **My Agency Items** screen:

1. From the **Desktop** tab, select **My Agency Items**.
2. From the **My Agency Items** screen, select the type of exceptions or activity you want to view by choosing one of the tabs at the top of the screen.
 - Payment Exceptions
 - Promise Exceptions
 - Unapplied Payments
 - Late Payments
 - Late Promises
 - Suspense Payment
 - Suspense Promise

For more details on using **My Agency Items**, see “**My Agency Items**” on page 363.

Common Causes for Exceptions

An Agency Payment Exception Item is represented in the system by the `ExceptionItem` entity. BillingCenter conceptually creates Exception Items whenever payments are applied against invoice items that do not exactly match the expected Gross and Commission amounts associated with the invoice items.

When a payment is applied at the invoice item level, the producer specifies two pieces of information:

- Gross amount to apply against the invoice item
- Commission amount to apply against the invoice item (such as: commission amount that the producer will be keeping as commission for the item)

If there is a problem with the payment, the following types of mismatches occur:

Gross Mismatch

This type of exception shows the difference between the gross amount applied against a particular invoice item as payment and the actual gross amount Billing Center expects to be applied. This type of exception means that the producer took the expected amount, but BillingCenter thinks that the payment or promise amount is incorrect. The producer may have taken the wrong amount from gross payment.

Commission Mismatch

This type of exception shows that the commission amount taken by the producer does not match the BillingCenter expectations based on the producer's commission plan. BillingCenter flags items as exceptions if the following occurs:

- Producer took either a larger or smaller commission amount.
- Payment or promise made on the statement does not equal zero.

Common Exception Resolutions

You can use one of the disposition choices from the **Agency Payment Wizard** to resolve exceptions in BillingCenter.

From the **Agency Payment Wizard**, view the invoice item in the **Policy Activity** section of the screen that will become exceptions if the payment is executed. To prevent this, you can choose a disposition option from the **Disposition** column that specifies how to handle the item. BillingCenter uses the `IAgencyDistributionDisposition` interface of the Agency Distribution Disposition plugin, which accesses the clearing logic specified on the producer's agency bill plan. You can choose **Carry Forward**, **Write Off**, or **Exception**.

Carry Forward

If you choose the **Carry Forward** option, BillingCenter sets the **Eligible for Exception** flag on the item to **False** so that it is not marked as an exception. The item does not appear on the Agency Bill Exception screen and will not be treated as an exception.

Write Off

If you choose the **Write Off** option, BillingCenter resolves the exception by writing off the unpaid amount.

Depending on whether the exception is a gross mismatch or a commission mismatch, BillingCenter automatically creates and executes a write-off. The write-off results in either a Charge Written Off (`ChargeWrittenOff`) or a Commission Reduction Transaction (`CmsnPayableReduction` or `CmsnRcvableReduction`) transaction to handle the mismatch exception. The item will not show up on the Agency Bill Exception screen because the applied amounts and the written off amounts make the item equal to zero.

Exception

If you choose the **Exception** option, BillingCenter performs no special exception processing on the item and the applies the specified gross and commission values against the item. The item will show up as an exception on the **Agency Bill Exception** screen.

Payment Mismatch Exceptions

A *payment* is a sum of money (a receipt) sent to a carrier to be applied to invoice items on a producer's statement. A payment mismatch is a payment made for an amount that is different from what BillingCenter expects and which causes the payment amount to not be equal to zero. The producer is sent a statement that lists all invoice items for this cycle; payment must be returned to the carrier by a certain date. If there is a mismatch, a payment mismatch exception occurs that you can track in BillingCenter. At this point, you need to manually resolve the exception.

Working with Payment Exceptions

You can view the details for the payment exception on the **Agency Bill Statement** screen. This includes dates and amounts due. You can sort the information by policy number or item. The **Policy Activity** section of the screen lists the details for each item including the statement number and date, context, and statement and applied amounts.

To navigate to the **Agency Payment** screen,

1. From the **Producer** tab, select the producer's name from the drop down list.
2. Choose **Agency Bill Cycles** from the list of menu action items in the left column.
3. On the **Agency Bill Cycles** screen, choose **All** from the **Show** filter list to view the list of all cycles.
4. Select the statement in the **Statement #** column for the statement that you want to view on the **Agency Bill Cycles** screen.
5. View the details for the chosen cycle in the **Policy Activity** section of the **Agency Bill Statement** screen.
6. To resolve this exception, choose **Agency Bill Exceptions** from the side menu to get to the **Agency Bill Exceptions** screen. See the "Resolving Payment Exceptions" on page 358 for details on how to resolve a payment mismatch exception.

Resolving Payment Exceptions

If a payment exception occurs, the most common way to resolve it would be to edit the promise. For example, if an incorrect amount was entered, you can revise the amount by editing the exception. Choose one of the following five ways to resolve the payment exception:

To Edit a Payment History:

1. From the **Producer** tab, select the producer's name from the drop- down list.
2. Select **Agency Bill Exceptions**.
3. From the **Agency Bill Exceptions** screen, select the **Payment Mismatch Exceptions** tab.
4. Select the exception that you want to resolve.
5. Choose the **Edit/History** tab and use the **Agency Item Events** screen to edit the history of the item.

To Write-off a Payment Exception

1. From the **Producer** tab, select the producer's name from the drop down list.

2. Select **Agency Bill Exceptions** from the left menu.
3. From the **Agency Bill Exceptions** screen, select the **Payment Mismatch Exceptions** tab.
4. Select the exception that you want to resolve.
5. Choose the **Write Off** tab.
6. Use the filter to determine if the exception is for a gross or commission mismatch.

To Start a Delinquency

1. From the Producer tab, select the producer's name from the drop down list.
2. Select **Agency Bill Exceptions** from the left menu.
3. From the **Agency Bill Exceptions** screen, select the **Payment Mismatch Exceptions** tab.
4. Select the exception that you want to resolve.
5. Choose the **Start Delinquency** tab.
6. From the **Start Delinquency** screen, provide a reason and target for the delinquency and click **Execute**.

To Carry Forward the Payment Exception:

1. From the Producer tab, select the producer's name from the drop down list.
2. Select **Agency Bill Exceptions** from the left menu.
3. From the **Agency Bill Exceptions** screen, select the **Payment Mismatch Exceptions** tab.
4. Select the exception that you want to resolve.
5. Choose the **Carry Forward** tab.
or
6. From **Producer → New Agency Bill Payment**, choose an option from **Select Statement** drop down list, enter the payment amount, and click the **Start Payment Wizard** button.
7. From the **Agency Payment Wizard**, choose **Carry Forward** from the drop down list in the **Disposition** column.
8. Click **Next** and then on Step 2, click **Execute**.

To Override the Commission for the Payment Exception

1. From the Producer tab, select the producer's name from the drop down list.
2. Select **Agency Bill Exceptions** from the left menu.
3. From the **Agency Bill Exceptions** screen, select the **Payment Mismatch Exceptions** tab.
4. Select the exception that you want to resolve.
5. Choose the **Override Commission** tab.
6. From the **Commission Rates** screen, edit the amount in the **Commission** column and click **OK**.

To Make a Payment to Cover the Payment Exception

1. From the Producer tab, select the producer's name from the drop down list.
2. Select **New Agency Bill Payments** from the menu item list.
3. From the **Agency Payment** screen, enter the **Payment Information**, including the **Payment Instrument** and **Amount** (for the amount of the promise exception only.)

4. Select the **Payment Target** by choosing **Promise** from the **Pay Towards** drop down list and either **Billed** or **Planned** from the **Select From** options.
5. Select the promise statement you want to pay from the drop down list.
6. Click the **Start Payment Wizard** button.
7. From Step 1 of the **Agency Payment Wizard**, click the **Next** button.
8. From Step 2 of the **Agency Payment Wizard**, click the **Execute** button to make the payment.

Promise Mismatch Exceptions

A *promise* is a statement of the producer's intent to pay. It lists the details of expected payments for the current cycle. A *promise mismatch* is the difference between what the carrier expects to receive and what the producer intends to pay. If there is a mismatch, a promise mismatch exception occurs that you can track in BillingCenter. At this point, you need to manually resolve the exception, usually by contacting the producer.

Note: If a promise has no mismatch exceptions and you change the producer's commission rate, a promise mismatch exception will not be created.

Working with Promise Exceptions

You can view the details for the promise exception on the **Agency Promise** screen. This includes dates, amounts due, and available funds. You can sort the information by policy number or insured name. The **Policy Activity** section of the screen lists the details for each item including the statement number and date, context, and statement and applied amounts.

To navigate to the **Agency Promise** screen,

1. From the **Producer** tab, select the producer's name from the drop down list.
2. Choose **Agency Bill Cycles** from the list of menu action items in the left column.
3. On the **Agency Bill Cycles** screen, choose **All** from the **Show** filter list to view the list of all cycles.
4. Select the date in the **Promise Rec'd** column for the statement that you want to view on the **Agency Promise** screen.
5. View the details for the chosen cycle in the **Policy Activity** section of the **Agency Promise** screen.
6. To resolve this exception, choose the **Edit** button at the top of the screen to get to the **Agency Promise Wizard**. See the "Resolving Promise Exceptions" on page 360 for details on how to resolve a promise mismatch exception.

Resolving Promise Exceptions

If a promise exception occurs, the most common way to resolve it would be to edit the promise. For example, if an incorrect amount was entered, you can revise the amount by editing the exception. Choose one of the following four ways to resolve the promise exception:

To Edit a Promise History:

1. From the **Producer** tab, select the producer's name from the drop- down list.
2. Select **Agency Bill Exceptions**.
3. From the **Agency Bill Exceptions** screen, select the **Promise Mismatch Exceptions** tab.
4. Select the exception that you want to resolve.
5. Choose the **Edit/History** tab and use the **Edit History** screen to edit the promise.

To Carry Forward the Promise Exception:

1. From the Producer tab, select the producer's name from the drop down list.
2. Select Agency Bill Exceptions from the left menu.
3. From the Agency Bill Exceptions screen, select the Promise Mismatch Exceptions tab.
4. Select the exception that you want to resolve.
5. Choose the Carry Forward tab.
or
6. From Producer → New Agency Bill Promise, select the statement from the drop down list, enter the promise amount, and click the Start Promise Wizard button.
7. From the Agency Promise Wizard, choose Carry Forward from the drop down list in the Disposition column.
8. Click Next and then on Step 2, click Execute.

To Make a Payment to Cover the Promise Exception

1. From the Producer tab, select the producer's name from the drop down list.
2. Select New Agency Bill Payments from the menu item list.
3. From the Agency Payment screen, enter the Payment Information, including the Payment Instrument and Amount (for the amount of the promise exception only.)
4. Select the Payment Target by choosing Promise from the Pay Towards drop down list and either Billed or Planned form the Select From options.
5. Select the promise statement you want to pay from the drop down list.
6. Click the Start Payment Wizard button.
7. From Step 1 of the Agency Payment Wizard, click the Next button.
8. From Step 2 of the Agency Payment Wizard, click the Execute button to make the payment.

To Pay a Promise

Same as above steps for “To Make a Payment to Cover the Promise Exception” on page 361, except for Step 3. Instead, substitute the followings instructions:

From the Agency Payment screen, enter the Payment Information, including the Payment Instrument and Amount (for the entire amount of the promise.)

Late Payments

According to terms specified in the producer's agency bill and payment plan, payment is due by a specific date once the invoice item on the statement becomes Billed or Open.

A late payment exception occurs if:

1. Payment is not received by the payment due date, or the amount paid is less than a specified part of the net amount due (by default, 80%).
2. The billing plan's Generate exception if past due field is set to Yes.

Dismissing Late Payments

Once you have noted this exception, you resolve it by dismissing the item. This does not remove the payment exception from BillingCenter. However, once it is dismissed, it will not appear in a list of exceptions again until the next cycle. You dismiss the item as follows:

1. From **Producer → Agency Bill Exceptions**, choose the **Late Payments** tab.
2. Check the box next to the exception item and click the **Dismiss** button at the top of the table to dismiss the exception.

Dismissing the item removes it from the list of exceptions on both the **Agency Bill Exceptions** screen and the **My Agency Items** screen for the remainder of this cycle.

Late Promises

A *promise* is a statement of the producer's intent to pay. It lists all expected payments for the current cycle including the expected gross and commission amounts. The producer is sent a Promise that must be returned to the carrier by a certain date indicating any changes to the expected amounts.

A late promise exception occurs if:

1. The promise is not received by the promise due date, or the amount promised is less than a specified part of the net amount due (by default, 80%).
2. The billing plan's **Generate exception if promise is past due** field is set to **Yes**.

Dismissing Late Promises

Once you have noted this exception, you resolve it by dismissing the item. This does not remove the promise exception from BillingCenter. However, once it is dismissed, it will not appear in a list of exceptions again until the next cycle. You dismiss the item as follows:

1. From **Producer → Agency Bill Exceptions**, choose the **Late Promise** tab.
2. Check the box next to the exception item and click the **Dismiss** button at the top of the table to dismiss the exception.

Dismissing the item removes it from the list of exceptions on both the **Agency Bill Exceptions** screen and the **My Agency Items** screen for the remainder of this cycle.

My Agency Items

This topic describes the **My Agency Items** screen. The **My Agency Items** screen allows you to access information about exceptions for all producers who have you as their assigned account representative. From this screen, you can view activity and resolve exceptions for those producers. Account representatives have primary responsibility for resolving agency bill exceptions such as mismatched payments or promises, late payments or promises, unapplied payments, and suspense payment items.

This topic includes:

- “My Agency Items Screen” on page 363
- “Managing Payment Exceptions” on page 364
- “Managing Promise Exceptions” on page 364
- “Working with Unapplied Payments” on page 365
- “Working with Late Payments and Promises” on page 365
- “Working with Suspense Items” on page 366

My Agency Items Screen

The **My Agency Items** screen is divided into five areas from which you can view details on specific activities associated with producers that:

- Have you as an account representative.
- Have at least one exception or unapplied or suspense payment.

Activities shown include payment and promise exceptions; unapplied payments; late payments and promises; and suspense payment items.

Accessing My Agency Items

To Access My Agency Items

Navigate to Desktop → **My Agency Items**.

To View the List of Exceptions or Other Items

Choose one of the five tabs at the top of the screen.

To View Details About Any of the Items that are Listed

Click the producer's name.

Managing Payment Exceptions

Payment item level mismatch exceptions are tied to a mismatched payment. From **Desktop → My Agency Items → Payment Exceptions** tab, you can view a list of payment exceptions for all producer that have you as their account representative. From this point in BillingCenter, you will see date, producer name, and the age and amount of the exception.

Viewing Payment Exceptions

You can view and begin to resolve these kinds of exceptions as follows:

1. Click the name of the producer.

BillingCenter displays the **Agency Bill Exceptions** screen.

2. Select the **Payment Mismatch Exceptions** tab to view the details for the exception, including:

- Due Date – The date that the payment is due.
- Event – The reason for the exception. For example, a gross or commission mismatch.
- Gross Difference – The difference between the gross amount applied against a particular invoice item as part of a payment and the actual gross amount Billing Center expects to apply.
- Commission Difference – The difference between the commission amount applied against a particular invoice item as part of a payment and the actual commission amount Billing Center expects to apply.

3. From the **Payment Mismatch Exceptions** tab, you can perform the following actions on selected exceptions:

- Edit/History – Edit the history of one invoice item on a statement.
- Write Off – Specify that the gross difference associated with the exception or commission difference associated with the exception or both will be written off. This action immediately resolves the exception.
- Start Delinquency – Being a delinquency process on the selected exceptions.
- Carry Forward – Specify that the exception be carried forward to another statement. The item is then excluded from the list of exceptions.
- Override Commission – Specify that the exception be overridden. This enables you to override the commission rate on the parent charge of the invoice item associated with the exception.
- Edit Comments – Edit the comments field of the screen.

See “Resolving Payment Exceptions” on page 358 for additional details.

Managing Promise Exceptions

Promise item level mismatch exceptions are tied to mismatched items on a promise. From **Desktop → My Agency Items → Promise Exceptions** tab, you can view a list of promise exceptions for all producers that have you as their account representative. From this point in BillingCenter, you will see date, producer name, and the age and amount of the exception.

Viewing Promise Exceptions

You can view and begin to resolve these kinds of exceptions as follows:

1. Click the name of the producer.

BillingCenter displays the **Agency Bill Exceptions** screen.

2. Select the **Promise Mismatch Exceptions** tab to view the details for the exception including:

- Due Date – The date that the promise is due.
- Event – The reason for the exception. For example, a gross or commission mismatch.
- Gross Difference – The difference between the gross amount applied against a particular invoice item as part of a promise and the actual gross amount Billing Center expects apply.
- Commission Difference – The difference between the commission amount applied against a particular invoice item as part of a promise and the actual commission amount Billing Center expects apply.

3. From the **Promise Mismatch Exceptions** tab, you can perform the following actions:

- Edit/History – Edit the history of one invoice item on a statement.
- Override Commission – Specify that the exception be overridden. The item is written off which causes the exception to be immediately resolved.
- Carry Forward – Specify that the exception be carried forward to another statement. The item is then excluded from the list of exceptions.
- Edit Comments – Edit the comments field of the screen.

See “Resolving Promise Exceptions” on page 360 for additional details.

Working with Unapplied Payments

An *unapplied payment* is for funds sitting in the producer’s **Unapplied T-account**. You can resolve these items by using these funds to make a payment. From the **My Agency Items** screen you can apply the funds to a billed or planned statement to make a payment. In Billing Center, this will use funds from the producer’s **Unapplied T-account** to pay invoice items on the statement targeted by the payment

Applying the Payment

To apply the payment:

1. From **Desktop** → **My Agency Items**, choose the **Unapplied Payments** tab.
2. View a list of any unapplied payments for producers that have you as their account representative. This screen shows the date the amount was received and the producer’s name.
3. Check the box next to the item you want to apply.
4. Click the **Distribute Payment** button at top of the list.

BillingCenter takes you to the **Agency Payment** screen where you can select a statement to which the funds can be applied.

Working with Late Payments and Promises

A payment exception occurs when a producer has not submitted payment by the payment due date specified in the associated agency bill plan. BillingCenter generates a payment exception on the payment due date if:

- A payment has not been received, or the amount paid is less than a specified part of the net amount due (by default, 80%).

- The **Generate exception if past due** field of the agency bill plan is set to Yes.

Similarly, a promise exception occurs when a producer has not submitted a required promise by the promise due date specified in the associated agency bill plan. BillingCenter generates a promise exception on the promise due date if:

- A promise has not been received, or the amount promised is less than a specified part of the net amount due (by default, 80%).
- The **Generate exception if no promise rec'd** field of the agency bill plan is set to Yes.

From the **My Agency Items** screen you can see a list of all payment or promise exceptions for producers that have you as their account representative. This screen shows each exception's date, producer name, age, and amount details. You can make note of the exception and later follow up with the producer.

Viewing Late Payment or Late Promise Exceptions

You can view and begin to resolve these kinds of exceptions as follows:

1. From **Desktop** → **My Agency Items**, choose the **Payment Exceptions** or **Promise Exceptions** tab.
2. Click an exception's **Producer Name** to show that producer's **Agency Bill Exceptions** screen.
3. Click the **Late Payments** or **Late Promises** tab.
4. Check the box next to the exception item and click **Dismiss** at the top of the table to dismiss the exception.
Dismissing the item removes it from the list of exceptions. It will not appear again unless the producer fails to make a promise within the specified number of days for the next cycle.
5. Click an entry's **Statement #** field to view its statement.

Working with Suspense Items

An agency bill *suspense item* is a payment made toward an invoice item for a policy that does not yet exist in BillingCenter. This can happen when a producer creates new business that is not yet entered on the books, but for which the producer may want to make a payment. However, because this item is an Agency Bill item, it will have an associated producer.

From **My Agency Items**, you can view a list of suspense items for all producers that have you as their account representative. You can monitor when the suspense items associated with a policy period become active in BillingCenter and then release the funds.

Resolving Suspense Items

To resolve a suspense item:

1. Navigate to **Desktop** → **My Agency Items**.
2. Select the **Suspense Payment** tab. The listed items are not associated with an existing policy period.
3. Click the **Shift** → **Alt** → **T** keys to get to the **Server Tools** and run the **Agency Suspense Payment** batch process. This process can be run each day until the policy exists in BillingCenter. It then matches the suspense item with the associated policy period.
4. When the policy number displays in the **Matching Policy** column, check the box for this item and click **Release and Apply**.
5. The BillingCenter base configuration does not release the funds at this point; instead it moves the funds into an unapplied funds T-account and navigates to the **Suspense Item** wizard.

6. From the **Suspense Item** wizard, select the suspense item and click **Release** and then **OK** on the second page to go to the **Agency Payment** wizard.
7. From the **Agency Payment** wizard, select **Add Planned Items**.
8. From the **Add Items** screen, click **Add Policy Period** and add the policy number to the **Policy Period** screen.
9. Select one of the statements from the **Add Items** screen.
10. Return to the **Agency Payment Wizard**, where the invoice item is now listed.
11. Click **Next**. From Step 2 of the **Agency Payment** wizard, click **Execute** to resolve the suspense item. The item no longer appears on the **My Agency Items** screen.

Agency Bill Write-offs

This topic covers agency bill write-offs available in BillingCenter including commission and producer write-off transactions.

This topic includes:

- “Agency Bill Charge Write-offs and Commission Write-offs” on page 369
- “Agency Bill Charge Write-off Transactions” on page 370
- “Agency Bill Commission Write-off Transactions” on page 370
- “Working with Agency Bill Write-offs” on page 371
- “Agency Bill Write-off Batch Processes” on page 371

Agency Bill Charge Write-offs and Commission Write-offs

BillingCenter provides you with access to transactions that you can use for various types of write-offs that you can use with agency bill processing. This includes two categories of transactions:

- Charge write-offs are used for any uncollected funds that a customer may owe you or for amounts that you may owe the customer at the account, policy, or charge-level. This includes write-offs; negative write-offs and reverse negative write-offs; and write-off reversals.
- Commission write-offs are used for agency bill producers. At the agency bill level, commission write-offs are at a more granular level and deal with specific item-level charges on a producer’s statement.

A *write-off* is also known as a charge-off. Write-offs remove the (usually very small) amount not expected to be paid by the insured, from the account balance. This reduces the value of an asset by the amount of the loss. The uncollected amount that is written off is recorded as an expense. You can handle these types of transactions as follows:

- Automatically, if the Low Balances Invoices settings in the billing plan specify a write-off and an amount threshold is set in the delinquency plan.
- Manually in the user interface by selecting the specific transaction.

The transactions are:

Agency Bill Write-off Transaction	Description
Commission Reduction Write-off (CmsnReduction Transaction)	Writes off the commission amount owed to the producer, when the carrier is not planning on remitting the amount to the producer.
Producer Write-off	Writes off an amount from the Producer's statement if the amount to be written off is less than the Producer payment threshold set on the Producer's agency bill plan.

Agency Bill Charge Write-off Transactions

Charge write-off transactions include the following:

- Write-off
- Negative Write-off
- Reverse Write-off
- Negative Write-off Reversal

BillingCenter records the write-off transactions in **Accounts → Journal** for account-level write-offs or in **Policy → Journal** for policy-level write-offs. The **Journal** in which charge-level write-offs appears depends on the T-account owner of the item's charge pattern. For example, premium, taxes, and installment and reinstatement fee charge patterns have **policyperiod** as the T-account owner; while invoice, late, and payment reversal fees have **account** as the T-account owner.

When an amount is written off at the account or policy period level, a **Write-off Expense** T-account is created for that charge. The write-off transaction debits the **Expense** T-account and credits the **Charge Due** T-account, effectively lowering the amount an insured owes for a given charge.

Agency Bill Commission Write-off Transactions

BillingCenter records the commission write-off transactions in **Producer → Journal** for commission-level write-offs. This is where you can view a list of the underlying transaction subtypes that BillingCenter used to support the actual commission write-off transaction. The following topics cover transactions for agency bill commissions.

Agency Bill Write-offs

Agency bill commission write-off transactions include the following:

- Commission write-off
- Producer write-off

When a commission is written off for a producer, BillingCenter pays the charge and debits the **Commission Write-off** T-account and credits the **Charge Due** T-account.

Working with Agency Bill Write-offs

Write-offs can be handled automatically when payment is made. To do this, BillingCenter checks the threshold settings in either the billing or delinquency plans, or the clearing logic settings in the agency bill plan. However, write-offs also can be handled manually in the user interface as follows:

Write-off Transactions	See the following BillingCenter Screen:
Agency Bill Write-offs	
Commission Written Off	From Producer → Agency Bill Exceptions Select the items to be written off. Select Write Off.

Agency Bill Write-off Batch Processes

The **Write-off Staging** batch process distributes any undistributed imported write-offs that will be used after the staging table data is loaded.

Agency Bill Delinquency

This topic covers the agency bill delinquency process. A *delinquency* occurs when a billed payment has not been made by the producer after the payment becomes past-due. In BillingCenter, delinquencies are handled by delinquency plans associated with the producer.

Note: BillingCenter does not automatically trigger delinquencies for agency bill producers.

This topic includes:

- “Agency Bill Delinquency Process” on page 373
- “Agency Bill Workflows” on page 373
- “Working with the Agency Bill Workflow” on page 374

Agency Bill Delinquency Process

The delinquency process is a self contained progression that is governed by the associated workflow definition. The process can create and react to activities, and wait for approvals. The progress of the workflow is managed and documented by the workflow’s delinquency events. The process can run against any entity which is a T-account owner. Each delinquency process has a reference to its delinquency target, which can be communicated with through domain API calls.

Agency Bill Workflows

The workflow controls the overall progress of an active delinquency process. The workflow identifies the planned events that are triggered when the account becomes delinquent. Each workflow type has a unique set of events and each event has a trigger that can be either manually or automatically invoked. If the event is automatically triggered, there is no manual intervention and a separate process is run that evokes the trigger. You specify which workflow type is used by the Delinquency Plan when the plan is created.

Creating or Modifying Agency Bill Workflows

To create a new workflow or edit an existing one, you need to create your new workflow script or make your changes to an existing one in Guidewire Studio. You will do this in the Studio **Workflows** editor. For an explanation of this process, refer to instructions in “BillingCenter Workflows and Delinquency Plans” on page 413 in the *Configuration Guide*.

Specifying a Workflow for the Delinquency Plan

You specify the delinquency workflow type on the **Workflow** tab of the new delinquency plan. Click the **Workflow Add** button and then choose a **Delinquency Reason** and **Workflow Type** from the two drop down lists. Also, you can add new events to the workflow by clicking the **Events Add** button. From the next screen, you can choose an event, indicate if it is to be automatic, and specify the trigger for the event.

Billing Center ships with the following default agency bill workflow configuration:

Standard Agency Bill

The trigger for the *Standard Agency Bill* workflow is based on inception. The default events are:

- Check to see if sending statement specified
- Wait for send statement date
- Check to see if generating promise exception specified
- Check if promise reminder needed
- Check to see if generating promise exception specified
- Wait for generate promise exception date
- Check if promise exception needed
- Check to see if generating past due exception date specified
- Wait for past due exception date
- Check if past due exception needed

Working with the Agency Bill Workflow

An *agency bill workflow* defines the events that take place during an agency bill cycle. It defines an agency bill cycle, which is the period of time it takes to process the actions involved in the completion of one statement invoice. You associate a workflow type with the agency bill plan by selecting the type in the **Plan Info** section of the agency bill plan. When a statement’s invoice status changes to billed, an **AgencyBillWorkflow** object is created based on the terms specified in the agency bill plan, that processes the statement invoice.

The associated workflow type is a required field in the agency bill plan. The workflow is where you configure the behavior that you want to occur for each event. For example, if you use the standard Agency Bill Plan associated with the Standard Agency Bill workflow and you want to send a dunning notice, you do the following:

Define the First Dunning Notice Date

1. Check the **Send Dunning Notice After Due Date If Not Paid** box in the **Payments** section of the agency bill plan.
2. Enter the number of **Days** after the cycle close date that you want the dunning notice to be sent.

Define the Second Dunning Notice Date

1. Check the **Send Second Dunning Notice After First Dunning Notice If Not Paid** box.

2. Enter the number of Days after the first dunning notice that you want the second dunning notice to be sent.

Note: Both the default Standard Agency Bill Plan and the Standard Agency Bill Workflow are shipped with the product.

If you look at the Cycle Events for a given cycle on the **Agency Bill Cycles** screen, you will see the following

- Governing plan that defines the dates
- Events for the given cycle.

However if you check the shipped Standard Agency Bill Workflow, you will see an event called **CheckDunning1Needed**. This event checks to see if the statement has been fully paid. If it has been fully paid, the Dunning event does not complete and the workflow skips that event. You can configure this area of the workflow to contain any logic you may find the most useful.

You can customize the workflow using Gosu rules, so if you want a specific event to trigger in the workflow, then you can add Gosu code to the event. For example, to add a step to a Send Statement event in your workflow, add Gosu code to the execution block of the Send Statement step in the workflow.

BillingCenter ships a Standard Agency Bill Plan and a **Std Agency Bill Workflow**. For each event in the agency bill cycle, the agency bill plan determines the following:

- Whether the event will be scheduled.
- How many days after the Cycle Close Date (specified in the plan) the event will take place.

part XII

BillingCenter Administration

Administrative Tasks

This topic describes administrative tasks accessible from the BillingCenter **Administration** tab. The **Administration** tab is shown only if the current user has **Administrative** permission.

This topic includes:

- “Administering Activity Patterns” on page 379
- “Administering BillingCenter Plans” on page 380
- “Administering Charge Patterns” on page 380
- “Administering Collection Agencies” on page 381
- “Administering Message Queues” on page 381
- “Administering Workflows” on page 381

Administering Activity Patterns

Activity patterns are templates that standardize the way BillingCenter generates activities. Both rules and the user interface create activities based on these patterns. Each pattern describes one kind of activity that might be needed in handling the billing process.

Activity patterns contain many default, or typical, characteristics for each activity, such as its name, its relative priority, and whether or not it is mandatory. When an activity is added to a **Workplan** (by either a user or by rules), BillingCenter uses the pattern as a template to set the activity’s default values. For example, this can include **Subject**, **Priority**, and **Target**. Users and rules may override these defaults.

Note that an activity pattern and an activity created from the pattern can have the same name. The pattern suggests its own name as the default activity name. You may think of a pattern as an entity, and the corresponding activity as an instance of it.

Administrators may view, create and edit patterns using the **Activity Patterns** menu action of the **Administration** tab. Users may manually create activities based on these patterns; rules and external systems (using API calls) may do the same.

Creating and Editing Activity Patterns

With administrator permission, you may edit or create new activity patterns by clicking the **Activity Patterns** menu action that is exposed in the **Administration** tab. Then you select the **New Activity Pattern** from the **Activity Patterns** screen. There, you specify:

- The activity's **Subject** (name), which is shown in both lists of activities and in lists of patterns.
- A **Short Subject**, which names the activity in a calendar entry, or when the full subject name is too long.
- The **Type** of pattern. All patterns you create or change must be of type **general**; BillingCenter reserves all other types for the patterns it uses to generate activities. The **activityType** typelist contains these types.
- The **Category**, which the user interface uses to filter available activity patterns in its **New Activity** drop-down. The **activityCategory** type list contains the options (**Reminder** and **Request**.)
- The pattern's **Code**, or name used when referring to it in Gosu.
- The **Priority**, which allows BillingCenter to sort activities (urgent, high, normal, or low) in a list of activities.
- Whether it is **Mandatory** to complete the activity, or if it may be skipped.
- A **Description** of the activity; visible when looking at the activity's details.

In addition, the Activity Pattern Dates and the means to calculate them:

- These variables determine the **Escalation Date**:
 - **Escalation days**: days between the start and escalation date.
 - **Escalation hours**: hours between the start and escalation date.
 - **Escalation start point** (activity creation date, loss date, or notice date).
 - **Include these days**: all days or only business days.
- These values similarly calculate the **Target Date**: **Target start point**, **Target days**, **Target hours**, and **Include these days**.

Administering BillingCenter Plans

You can use the following BillingCenter plans to implement and customize sophisticated business processes:

- *Billing* plans determine how to handle invoicing at the account level, including the invoicing method and how often invoices are sent to the insured and for what amounts.
- *Payment* plans determine how payments are set and spread over the term of the policy. This includes the down payment amount, how often an invoice is generated, and when an account or policy is invoiced.
- *Commission* plans determine the commission to be paid to a producer, including the particular plan attached to the producer's specific producer codes and any associated subplans.
- *Delinquency* plans determine how to handle past due accounts or policies, including when a past due payment triggers a predefined sequence of events in a delinquency process.
- *Agency Bill* plans determine how the agency bill process is handled for a producer, including whether the producer uses the statement bill process or account current process.

Administering Charge Patterns

A *charge pattern* is the template on which a charge is based and it determines how charges are categorized and handled in BillingCenter. You can see a list of predefined charge patterns shipped with BillingCenter or create a new charge pattern from the **Administration** tab. See "Charge Invoicing Process" on page 181 for details.

Administering Collection Agencies

A carrier uses third party *collection agencies* as a resource to collect unpaid debt. A collection agency is a type of BillingCenter account. When an account or policy is delinquent, you can reassign the payer of all unpaid and due invoices to a collection agency account for collection purposes. See “Collection Agency Support” on page 206 for details.

Administering Message Queues

Integration developers can send *messages* to external systems when something changes in BillingCenter, such as a changed account. The actions triggered by *events* such as these are customer-defined, but typically notify external systems of some events. A common example is when an account becomes delinquent, integration code can notify a policy administration system.

BillingCenter defines a large number of events of potential interest to external systems. Customers write rules to generate messages in response to events of interest. These messages are then queued up and dispatched to the receiving system.

See “Messaging Overview” on page 304 in the *Integration Guide* for details on setting up event messages.

Administering Workflows

A *workflow* controls the over-all progress of an active process. A workflow identifies the planned events that are triggered when the process is active. With administrative permission, use the **Administration** → **Workflows** option to manage all or a group of selected workflows from a central point. The **Workflows** menu item of the **Administration** tab lets you see a list of all workflow instances and their status, and allows you to suspend and restart them. You define a workflow in Studio, and execute instances of it from buttons you place in PCF pages. Once invoked, a workflow handler executes the instance, performs its steps, and controls its status. You may edit a workflow even when instances of it are running; this creates another version of the workflow with an incremented **Process Version**. New instances use the latest **Process Version**.

Finding and Displaying Workflows

The upper part of the **Workflows** screen lets you search for all workflow instances, or all instances of one **Type** (workflow name). You can also filter your search by a start date, update date range, handler type, current status, or whether the workflow currently executing a specific step. The results reflect, for each workflow instance found, its type and its **Start Date**, **Handler**, **Status**, current **Step**, and **Process Version** (version).

Starting and Stopping Workflows

Workflows proceed according to their internal schedules. They stop only on an error, or if you suspend them from this screen. You may only suspend instances with **Active** status. To suspend an instance, select it and push the **Suspend** button. To restart an instance with suspended status, use the **Resume** button. The **Resume-All** button resumes all instance in the current list.

BillingCenter ships nine workflows with the product that can be used during delinquency or agency bill processing. See “Guidewire Workflow” on page 341 in the *Configuration Guide* for more details on using workflows.

Security

Security in BillingCenter is managed through roles, permissions, and profiles. This makes the application flexible, robust, and keeps your information protected. The BillingCenter default application contains a set of roles that perform the billing tasks in most organizations. In order to perform these tasks, a user must be assigned a role with the appropriate permissions. Typically, the Superuser role is granted all permissions and is responsible for granting permissions to other roles. Once the roles are configured, then each BillingCenter user is assigned a specific role that relates to the tasks to be performed. BillingCenter also provides authority limit profiles which are used to control what monetary limits are assigned to users for the operations they have authority to execute.

This topic includes:

- “Users, Groups, and Roles” on page 383
- “Permissions” on page 386
- “Authority Limits and Authority Limit Profiles” on page 386
- “Security Zones” on page 388
- “Security Dictionary” on page 389
- “Access Control for Documents and Notes” on page 389

Users, Groups, and Roles

BillingCenter organizes people into Users and Groups. A user is someone with permission to use BillingCenter. Users then form work-related groups, which you can further aggregate into parent groups.

Users

Users represent people who are allowed to log in to BillingCenter. Users can also represent people who must be known by BillingCenter for assignment purposes, even if they never actually log in.

User information includes:

- **Credential** – Defines a user name and password for logging in to BillingCenter.
- **Roles** – Control what the user can view and work on. See “Roles” on page 385 for more information.

- **Authority Limits** – The maximum monetary amount of financial transactions the user can authorize. See “Authority Limits and Authority Limit Profiles” on page 386 for more information.
- **Profile** – Includes employee id, address, email, and phone and fax numbers.

Users can be locked out of BillingCenter if they attempt to login and provide an incorrect password several times in a row. The `FailedAttemptsBeforeLockout` parameter in the `config.xml` file defines the number of login attempts before lockout. For example, if `FailedAttemptsBeforeLockout` is set to 3, then BillingCenter locks out the user after the third consecutive failed attempt. You can also set this parameter to `-1` to disable automated lockout and allow an unlimited number of failed logins.

Locked out users cannot login to BillingCenter until the lockout period expires. The lockout period is a length of time specified by the `LockoutPeriod` parameter, after which BillingCenter unlocks the user automatically. You can also set `LockoutPeriod` to `-1`, indicating that the lockout never expires. In this case, a user remains locked out until an administrator unlocks the user manually. You can manually lock or unlock a user by setting the `Locked` option for the user in the **Administration → Users & Security → Users** screen.

You can also set the `LoginRetryDelay` parameter to specify the amount of time that must pass after each unsuccessful login attempt before BillingCenter allows the user to try again.

Administrators define users, giving them membership in groups as well as the above characteristics. Administrators can create new users, or search for an existing user and edit these characteristics. Users can also be imported into BillingCenter.

User Search

If you want to look up a particular user in BillingCenter, you can search for that user by the following criteria from **Administration → User Search**:

- Username
- First and last name
- Group name
- Role

When a user in a security zone performs a search for other users, the search matches only those users in the same security zone. See “Security Zones” on page 388 for more details.

Groups

The basic way BillingCenter organizes users is the group. A group’s members can either be other groups (teams or subgroups) or users. Groups are often defined to mirror the carrier’s organizational structure. For example, a main office has departments, that contain divisional offices, that control local offices, and so on. But groups can also be defined as virtual groups. This is a set of people who are not part of the same team or department but who are related in some other way.

A user can belong to one or many groups. In a typical situation, one group represents the actual reporting relationship that could be found in the organizational chart. This is the main group that the user works in, with the manager that the user normally reports to. In some cases, though, users actually do work for multiple groups, and this can be represented by making the user a member of both groups. In addition, you can use groups to guide assignment of different kinds of work to different people within a single organizational group. In this case, the membership of a user in these virtual groups does not match the actual organizational structure.

All of the groups must form a regular hierarchy (tree structure) in which each group has a single parent and zero or more child groups. There is no limit to the number of levels in this tree. Such a group hierarchy can model any organization. The parent can be the home office, which has regional offices as its children, which in turn could have children corresponding to different lines of businesses. These in turn have local offices as their children. Virtual groups can also be part of this hierarchy.

Groups have these additional properties:

- There can only be one group with no parent. This is the top-level (root) group.
- There is no limit to the number of members and child groups (subgroups) a group can have.
- A group always has one supervisor. The supervisor can also be a member of the group, but this is not required.
- A group can be associated with one or more regions, which assignment rules can consider.
- Groups control data security. Each group is a member of a single security zone.

Administrators add, edit, and delete groups, and can do the same with their members. Editing a group includes choosing its parent group and supervisor, setting its region, group type, security zone, permissions to change load factors. You can only delete a group that is empty and has no child groups. Otherwise, you break the tree structure and create orphan users.

You can add and edit groups manually from the **Administration** tab. You can also import groups. See the “Importing and Exporting Administrative Data from BillingCenter” on page 101 in the *System Administration Guide* for more information on using import functionality.

Roles

Roles provide the basic security that governs which actions a user can take within BillingCenter. A user can have one or more roles. BillingCenter grants a user all of the permissions that are contained in any of the roles that you assign to the user. Some permissions govern access to entire sections of the application. For example, one permission that BillingCenter grants by default only to people with the **Superuser** or **Rule Admin** roles is the ability to access Guidewire Studio. Other permissions govern much more granular actions, such as permission to view confidential documents. This could be restricted to supervisors only, for example.

BillingCenter has a set of default *roles* that perform the billing tasks in most organizations. However, to perform these tasks, a *user* must be assigned a role with the appropriate *permissions*. Typically, the **Superuser** role is granted all permissions and is responsible for granting permissions to other roles. Once the roles are configured, then each BillingCenter user is assigned a specific role that relates to the tasks he/she will perform.

Each BillingCenter role has a list of permissions from which you can choose when you customize the permissions assigned to a role. Any permissions assigned to a role will be available to anyone who is assigned that role. Consequently, a permission must be assigned to a specific role for that feature to show up in the user interface when the user logs into BillingCenter. For example, if a user wants to access the *create charge hold* or *release charge hold* permissions, then the user must have a role that assigns that permission. Thus, roles can provide a basic level of security within BillingCenter, by restricting access to areas of the system.

The BillingCenter base configuration provides the following standard roles:

- Agency Bill Cashier
- Billing Clerical
- Billing Manager
- Commissions Admin
- Finance Clerical
- Finance Manager
- Finance Supervisor
- General Admin
- Plan Admin
- Rule Admin
- Superuser
- Underwriter
- User Admin

You can view the available roles in BillingCenter from the **Administration** tab. When viewing a role, you can see which users, if any, have been assigned that role. You can also view the roles from the BillingCenter *Security Dictionary*. The value of viewing a role in the *Security Dictionary* is that you can also quickly view and compare other roles and their permissions.

Setting Up Roles

A role is a collection of permissions. By grouping permissions into roles, a user's authority can be precisely defined by a few assigned roles, rather than by a much larger list of permissions. A user can have any number of roles, but has to have at least one.

Permissions

The fundamental units of security in BillingCenter are permissions. With proper authority, you can create them. Once they exist, you may group them together into roles, and assign one or more of these roles to each user. (You may also bundle them into security types and use Access Control to restrict users' access.)

Permissions cover all data of the same type. For example, permission to view an account is permission to view all accounts; no account can be excluded from this permission.

Permissions are always in force: you can never override or ignore them.

There are two categories of permissions: they can affect what *screens* of the user interface you can access, or they can restrict what *entities* you may view or manipulate:

- **Screen permissions** – Permissions controlling access to a particular screen, (section of a page) of the application. With proper permission, an administrator may create new screen permissions, collect them into groups (roles) and assign roles to users.
- **Domain permissions** – These permissions relate to a specific BillingCenter entity, like an account or an invoice. Most important entities have these permissions associated with them. Only BillingCenter can define them, but an administrator can add them to roles, then grant these roles to users.

Authority Limits and Authority Limit Profiles

Authority limit profiles are part of the BillingCenter security feature. You can create authority limit profiles for users assigned roles in BillingCenter. This allows them to approve certain transactions for the allowed amounts. **Role-based security** defines what *actions* a user is allowed to perform. These assignments are made by defining permissions, bundling groups of related permissions into roles, and assigning these roles to users, based on the work they must perform. They apply to all entities.

When you define a user, you set authority limits. For example, limits include the size of a reserve or a reserve increase that can be made or the maximum size of a payment.

Authority Limits

The types of authority limits are defined in the **AuthorityLimitType** typelist. New typecodes cannot be added to this typelist. Typecodes not listed in the table below are retired or deprecated.

Authority Limit Type	Confers authority to—
Advance Commission	Create an advance commission payment.
Agency Bill Negative Writeoff From Producer Unapplied	Create an agency bill negative write-off from the Producer Unapplied T-account.

Authority Limit Type	Confers authority to—
Agency Bill Writeoff From Producer Unapplied	Create an agency bill write-off from the Producer Unapplied T-account.
Approve Disbursement	Approve a disbursement of funds.
Bonus Commission	Create a bonus commission payment.
Charge Commission Writeoff	Create a commission write-off for a charge.
Collections Credit	Create an account level collections credit transaction.
Collections Credit Reversal	Create an account level collections credit transaction reversal.
Goodwill Credit	Create an account level goodwill credit transaction.
Goodwill Credit Reversal	Create an account level goodwill credit transaction reversal.
Interest Credit	Create an account level interest credit transaction.
Interest Credit Reversal	Create an account level interest credit transaction reversal.
Item Commission Writeoff	Write off an item commission's unsettled commission amount.
Item Gross Writeoff	Write off an invoice item's unsettled gross amount.
Negative Writeoff	Create a negative write-off.
Negative Writeoff Reversal	Create a negative write-off reversal.
Other Credit	Create an "other" account level credit transaction.
Other Credit Reversal	Create an "other" account level credit transaction reversal.
Producer CommissionsPayable Transfer	Transfer funds from one producer's CommissionsPayable T-account to another's. It is used the ProducerPayableTransfer entity and a corresponding ProducerPayableTransferTxn.
Reverse Charge	Reverse an existing charge.
Transfer Funds	Transfer funds from one account to another.
Transfer Funds Reversal	Reverse a transfer of funds.
Writeoff	Create a write-off.
Writeoff Reversal	Reverse a write-off.

BillingCenter allows you to define a different limit amount for each authority limit. For example, you can set different amounts for the payment amount depending on a producer's commission plan. You can design a complex set of authority limits.

Authority Limit Profiles

To manage these sets of authority limits, BillingCenter groups them into authority limit *profiles* which can be assigned to individual users. In addition, BillingCenter allows you to define other profiles, and subsequently makes them available as potential default profiles.

The **Authority Limits** menu choice of the **Administration** tab brings you to a screen that defines authority limit profiles. In this screen, you may:

- Select an existing profile by clicking its name, or create a new profile with the **Add Authority Limit Profile** button.
- Change a limit in the selected profile by checking the limit, then choosing the limit type and amount.
- Create a new limit in the selected profile with the **Add** button, then changing its values as above.
- Delete a profile by selecting its checkbox and using the **Delete** button.

Remember to save your changes with the **Update** button.

Security Zones

In addition to the **Default Security Zone**, BillingCenter allows you to create other security zones.

Security for data in BillingCenter is provided in the following ways:

- By mapping roles and permissions to specific operations. If you do not have access to a certain operation in BillingCenter then you cannot access that functionality.
- By specifying authority limits which restrict those users having proper permissions from posting transactions beyond a given dollar amount.
- By assigning accounts, policies, or producers to a security zone which restricts access to these entities based on whether the user has access to the security zone.

Using this type of security enables carriers to:

- Operate as a single server instance even though they may have multiple divisions or legal entities that operate independently.
- Protect sensitive customer or internal information from access by unauthorized employees.

You can assign or reassign accounts, policies, or producers to these security zones. If an entity—such as an account, policy, or producer—is not in any security zone, then access to the entity is unrestricted. If an entity is in a security zone and a user is not in that zone, then access to the entity by the user is restricted. If a user has access to an account, but not to that account’s policies, then the user will see some, but not all, of the policy’s information. The information shown is usually that contained in the **Policy Status** area of the **Account Summary** screen.

When a user in a security zone performs a search for other users, the search matches only those users in the same security zone. For search results to include users in other security zones, the logged-in user must have the permission `userviewall`. When a user having the permission `userviewall` performs a search for other users, the results include all matching users, regardless of their security zone.

See also

- See “Assigning an Account to a Security Zone” on page 87 for more details.
- See “Editing Existing Policy Information” on page 91 for more details.
- See “Assigning a Producer to a Security Zone” on page 97 for more details.

To Create a New Security Zone

You can add or update a new security zone as follows:

1. From **Administration** → **Security Zones** side bar action item → **Security Zones** screen, click the **New Security Zone** button.
2. From the **New Security Zone** screen, enter the **Name** and **Description** of the new security zone.
3. Click **Update** to complete the process.

The new security zone will display in the list on the **Security Zone** screen.

To Associate a Group with a Security Zone

You can associate a group with a security zone as follows:

1. From **Administration** → **Groups** side bar action item → **Groups** screen, choose the group you want to edit.
2. From the <Selected's> **Group** screen, click the **Edit** button.
3. Choose the security zone you want to associate with the group.

As a null selection is no longer allowed, if you do not specifically assign a security zone to a group, BillingCenter uses the **Default Security Zone**.

4. Click **Update** to complete the process.

Note: See “Groups” on page 384 for information on creating groups.

Overriding Security Zones

BillingCenter has three permissions that allow a user with the permission in a role to bypass zone security for an entity. For example, the `acctignoresecurityzone` permission circumvents the security zone check for viewing accounts. The table below lists the permissions and their related entities:

Permission	Entity
<code>acctignoresecurityzone</code>	Account
<code>p1cyignoresecurityzone</code>	Policy
<code>prodignoresecurityzone</code>	Producer

Security Dictionary

The BillingCenter *Security Dictionary* is web-based documentation that you can generate from the command line by entering the following command:

```
gwbc regen-dictionary
```

Whenever you change the BillingCenter data model, regenerate the *Security Dictionary* to view the changes.

Use the *Security Dictionary* to view:

- **Application permission keys** – View them individually, or click the **Summary** link, to view the grouped individual functions that you are allowed to perform on that entity if given that particular permission. For example, for the **Activity** entity, if you do not have the **Create Activity** permission, you cannot access the **New Activity** options through the **Desktop → Actions** menu.
- **Pages** – Select a page to see which permissions are used on that page.
- **System permissions** – Select a permission to see any associated roles, related application permission keys, related pages, and related elements. For example, suppose that you select `catmanage`, which is the permission to manage catastrophes. In this case, you see the roles that use this permission (Catastrophe Admin, Super-user).
- **Roles** – It is possible to see the same information by clicking the **Roles** link on the **Administration** tab. However, the value of seeing it from the *Security Dictionary* is that you can see which other roles share that permission. For example, if you select **Adjuster**, you see the list of permissions that an adjuster has. If you select a permission such as `sendemail` (which is the permission to send email), then you would also see which roles share that permission. In this example, claims supervisor, clerical, customer service representative, manager, new loss processing supervisor, and the super user can all send email.

See also

"Regenerating the Data Dictionary and Security Dictionary" on page 21 in the Configuration Guide

Access Control for Documents and Notes

In addition to the standard document and note-related system permissions, you can control access to documents and notes by configuring access permissions. To do so, a document must have its document security type set. To see documents of a particular type, you must have both permission to view documents in general and permissions to access to the document security type. A document access profile grants this access. Access control for notes is the same as for documents.

Note and document access control requires:

- **Document Security Types or Note Security Types** – Security types determine document and note access control. Typical security types are Unrestricted and Confidential. The supported types are defined in the `DocumentSecurityType` typelist. They appear in the **Security Type** drop-down list of the **Documents → Document Details** and **New Document** screens. A document can be assigned a maximum of one security type. Security types for notes are defined in a similar manner by the `NoteSecurityType` typelist.

- **System Permissions** – Users must be assigned roles containing permissions to access documents and notes in general. The roles must also have permissions which match those in the access profile of the security type. Different permissions affect notes and documents.
- **Document and Note Access Profiles** – Using the above two concepts, these profiles relate permissions and security types to restrict access to a subtype of documents.

Working with Access Control for Documents and Notes

The following sections describe how to define and use document and note access control.

To Create Document and Note Security Types

A document type is set using the **Security Type** field in the user interface or through Gosu. The security types supported in the base configuration are defined by the `DocumentSecurityType` typelist. You can add your own security types. Documents which are not assigned a security type are given the `unrestricted` security type.

To Assign a Document or Note to a Security Type

After creating a new document by selecting **Actions** → **New Document**, choose the security type to assign the document from the **Security Type** drop-down list.

To Create Document Access Profiles and Note Access Profiles

Access to document types is controlled by adding a document access profile section to `security-config.xml`. You must have a document access profile for each document security type you want to place under document access control. The same is true for notes.

Each document access profile has this syntax, where `type` specifies a document or note security type, and `perm` is a system permission:

```
<DocumentPermissions>
    <DocumentAccessProfile securitylevel="type">      <!-- define for each security type -->
        <DocumentViewPermission permission="perm"/>      <!-- allow this permission to view-->
        <DocumentEditPermission permission="perm"/>      <!-- allow this permission to edit-->
        <DocumentDeletePermission permission="perm"/>     <!-- allow this permission to delete-->
    </DocumentAccessProfile>
</DocumentPermissions>

...
<NotePermissions>
    <NoteAccessProfile securitylevel="type">          <!-- define for each security type -->
        <NoteViewPermission permission="perm"/>          <!-- allow this permission to view-->
        <NoteEditPermission permission="perm"/>          <!-- allow this permission to edit-->
        <NoteDeletePermission permission="perm"/>         <!-- allow this permission to delete-->
    </NoteAccessProfile>
</NotePermissions>
```

Holidays and Business Weeks

This topic includes:

- “Specifying Holiday Dates” on page 391
- “Working with Holidays, Weekends, and Business Weeks” on page 391
- “Using Gosu Methods to Work with Holidays” on page 392
- “Business Weeks and Business Hours” on page 392
- “Holiday Permissions” on page 394

Specifying Holiday Dates

In the base configuration, BillingCenter determines weekends and work days by using configuration parameters in the `config.xml` file. However, you specify holidays through the user interface. Using the user interface gives you more flexibility in defining holidays, and you can make changes without having to restart the server.

To specify the holidays observed by your business, navigate in BillingCenter to the **Administration tab → Business Settings → Holidays** screen. BillingCenter stores all holidays you define in this screen in the database. All holidays are editable. With administrator privileges, you specify:

- **Name** – There is no limit on the holidays or on the names you give them. Each holiday is one day, so you must enter all the actual days if a holiday results in multiple days off. For example, you must specify two holidays for Thanksgiving in the United States if the company gives employees Thursday and Friday off.
- **Date** – The dates of some holidays vary each year, so this screen enables annual updates.
- **Applies to All Zones** – Determines who observes the holiday. You can further select the type of zone, such as state, county, or city in the United States if the holiday does not apply to all zones.
- **Types** – Provides one way to categorize holidays. You can also define other types.

Working with Holidays, Weekends, and Business Weeks

This topic describes how to work with holidays in the user interface.

To add a holiday

1. Log in to the application as a user with administrator privileges, and then navigate to **Administration tab → Business Settings → Holidays**.
2. Click **Add Holiday** in the **Holidays** screen to create a new holiday. Enter the holiday name, date, and type into the screen.

To edit a holiday

1. To edit a holiday, including its **Date**, **Type**, and **Zone**, click it on the **Holidays** screen, and click **Edit**.
2. Make your edits and click **Update** to save.

You can assign both **Type** and **Zone** to any choices that already exist, but you cannot create new choices for **Type** or **Zone** in this screen.

Note: You might need to change the **Date** of some holidays annually.

To delete a holiday

You can delete any holiday on the **Holidays** screen. Select its check box and click **Delete**.

To create a new zone or type

In Guidewire Studio, navigate to the typelist that you want to modify.

- **Zone Type** – Defined by the **ZoneType** typelist, includes the typecodes **city**, **county**, **state**, **province**, **postalcode**, and **fsa**. You can add other types to this typelist.
- **State** – Defines the states of the United States, Australia, and Germany, provinces of Canada, and prefectures of Japan that are in the **State** typelist.
- **Type** – Defined by the **HolidayTagCode** typelist. You can add other types to this typelist.

Using Gosu Methods to Work with Holidays

You can write Gosu code to set business days differently for various tasks. For example:

- After auto-assigning a task to be completed in a certain number of business days, Gosu code can take into account the holiday schedule of the assignee.

Use Gosu methods that use **Holiday Type** and **Zone** to determine the correct number of business days.

Gosu Holiday Methods that Use Zones and Types

The methods `getConfiguredHolidays`, `addBusinessDays`, and `businessDaysBetween` on the `Date` entity get lists of holidays, add business days to dates, or compute business days between dates. Depending on the parameters, these methods can take into consideration holiday types or zones. You can find these methods in `gw.util.GWBaseDateEnhancement`, and you call them by using a `Date` object.

See also

- “Gosu Methods for Business Hours” on page 393

Business Weeks and Business Hours

BillingCenter can accommodate your business schedule by specifying your exact work week and hours. For example, the normal business hours of a carrier begin on Monday and end on Saturday. For this carrier, you configure BillingCenter to have the hours from Monday to Friday begin at 8 a.m and end at 7 p.m. For Saturday, you configure the business hours to begin at 10 a.m and end at 2 p.m.

The `config.xml` file contains business calendar parameters. BillingCenter applies these parameters system-wide. These parameters are the default values. For a complete list, see “Business Calendar Parameters” on page 30 in the *Configuration Guide*.

The business calendar parameters enable you to specify:

- For each day of the week, whether it is a business day. For example, to make Monday a business day, set `IsMondayBusinessDay` to `true`.
- The time that each business day starts and ends. Set `BusinessDayStart` and `BusinessDayEnd`.
- The day that is the end of the business week. Set `BusinessWeekEnd`.
- The time that marks the start of a new business day. Set `BusinessDayDemarcation`.

See also

- “Business Calendar Parameters” on page 30 in the *Configuration Guide*

Business Hours

Business hours are defined in the `BusinessDayStart` and `BusinessDayEnd` configuration parameters. These times are based on the server clock. BillingCenter provides Gosu methods that calculate elapsed hours by using these defined business hours. However, these defined hours do not deal with holidays accurately.

Specifying holidays affects only dates, not hours. However, you can write Gosu code for a task usually accomplished in hours rather than in days by using Gosu business hour methods. These methods take holidays into consideration after calculating business hours. They are completely separate from business day methods.

For example, a carrier promises to respond to all inquiries and claims within two hours after receiving an inquiry. You call the carrier on Friday at 4:30 p.m., and Monday is a holiday. The carrier must respond by Tuesday, one and a half hours after the business day starts.

Gosu Methods for Business Hours

The methods `addBusinessHours` and `businessHoursBetween` on the `Date` entity add business hours to dates or compute business hours between specific dates. Depending on the parameters, these methods can take into consideration holiday types or zones. The methods also use the settings for business hours, days, and weeks in the `config.xml` file.

The methods are defined in `gw.util.GWBaseDateEnhancement`, and you call them by using a `Date` object.

Notes

While certain methods might appear to be similar, they can have different results. For example,

- The method `addBusinessDays` works differently from `addBusinessHours`. For example, in the base configuration, a business day runs from 8:00 a.m. to 5:00 p.m. Adding one business day to Sunday 12:00 a.m. results in Monday 12:00 a.m. However, adding nine business hours to Sunday 12:00 a.m. results in Tuesday 8:00 a.m. In the base configuration, for calculation purposes, a business day includes the times 8:00 a.m. through 4:59 p.m. Therefore, adding 9 hours to a weekend day goes past the next business day, Monday, to 8:00 a.m. the following day, Tuesday.
- The method `businessDaysBetween` works differently from `businessHoursBetween`. If the business day is between 8:00 a.m. and 5:00 p.m., calling `businessDaysBetween` for Sunday 12:00 a.m. and Monday 12:00 a.m. returns a value of 1. Calling `businessHoursBetween` for Sunday 12:00 a.m. and Monday 12:00 a.m. returns 0.

Holiday Permissions

The following system permissions control whether you can view the **Holidays** screen and edit the holidays:

- `holidayview`
- `holidaymanage`

In the base configuration, the Superuser role has these permissions.



chapter 60

Administration Utilities

This topic describes tasks that you access from the **Administration** → **Utilities** menu in BillingCenter.

This topic includes:

- “Importing and Exporting Data” on page 395
- “Administering Script Parameters” on page 395
- “Administering Data Changes” on page 396

Importing and Exporting Data

While you enter much of the BillingCenter administrative data directly into the application, there are times when it is necessary or more convenient to transfer this data in bulk. The **Import Data** and **Export Data** menu items of the **Administration** tab provides a convenient way of moving data. You can use this feature to either import or export data into or from BillingCenter in bulk.

See also

- “Importing Administrative Data into BillingCenter” on page 101 in the *System Administration Guide*
- “Exporting Administrative Data from BillingCenter” on page 101 in the *System Administration Guide*

Administering Script Parameters

A *script parameter* is an application-wide global parameter that has a value that tends to change over time.

Script parameters are Studio-managed resources that you can use as global variables within Gosu code, but which you manage through the BillingCenter (not Studio) interface. BillingCenter uses `ScriptParameters.xml` as the system of record for script parameter definitions and default values.

You can modify script parameters values by navigating to **Administration** tab → **Utilities** → **Script Parameters**. You can also access this list of script parameters in Guidewire Studio by navigating in the **Project** window to **configuration** → **config** → **resources** and double-clicking `ScriptParameters.xml`. In Studio, you can delete existing script parameters and create new ones. You can also edit default values in Studio.

If you have system administration permission, you can edit the value of the script parameter in BillingCenter by navigating to **Administration** → **Script Parameters**. After editing and updating the value, Gosu code now references the new value.

See also

- “Script Parameters” on page 101 in the *Configuration Guide*

Administering Data Changes

In the **Administration** tab, the **Data Change** menu link enables you to push data changes to the production server. Use this feature sparingly and only to update mission-critical data on running production systems.

See also

- “Data Change API” on page 47 in the *System Administration Guide*

External System Integration

Policy Administration System Integration

The BillingCenter base configuration includes a completely functional integration with Guidewire PolicyCenter. Alternatively, you can integrate BillingCenter with another policy administration system of your choice. This topic describes how BillingCenter integrates with any policy administration system. It also provides specific information about how BillingCenter integrates with PolicyCenter.

This topic includes:

- “System Overview” on page 399
- “Billing Components” on page 405
- “Billing Processes” on page 409
- “Policy Period Billing Instructions” on page 412
- “Multicurrency Integration Between BillingCenter and PolicyCenter” on page 417
- “BillingCenter Web Services” on page 419
- “Related Integration Documentation” on page 420

See also

- “Enabling Integration between BillingCenter and PolicyCenter” on page 86 in the *Installation Guide*

System Overview

BillingCenter exchanges a great deal of information with PolicyCenter. In order to establish producers and policies, BillingCenter provides agency bill, payment, and billing plan details to PolicyCenter. In addition, PolicyCenter displays links that enable you to view data in BillingCenter. Conversely, PolicyCenter provides accounts, policies, charges, producers, and producer codes to BillingCenter.

During the lifecycle of a policy, BillingCenter generates charges and invoice items during its processing of billing instructions received from PolicyCenter. BillingCenter provides billing and delinquency status for display within PolicyCenter accounts and policies. BillingCenter and PolicyCenter also exchange information to coordinate the execution of cancellations, reinstatements, and renewals.

Understanding Which System is the System of Record

Both BillingCenter and PolicyCenter maintain account, policy period, billing, and other information. While both applications have access to the information, only one application, either PolicyCenter or BillingCenter, is the system of record for each piece of information. Shared information is handled in the following ways:

- Most shared information originates in PolicyCenter and then it is sent to BillingCenter. PolicyCenter is the system of record for some items of information, and BillingCenter becomes the system of record for other items of information.
- Whenever you create a new account in BillingCenter, default values for certain fields are obtained from PolicyCenter. BillingCenter creates the new account or policy. After that, BillingCenter is the system of record for fields to which PolicyCenter provided the default values.
- You can customize some aspects of the integration to use a third party application as the system of record. That system can provide shared information to both PolicyCenter and BillingCenter. For example, you might have a producer management system that manages producers and producer codes for both applications.
- PolicyCenter retrieves billing information from BillingCenter for display to PolicyCenter users in account and policy files. In addition, a PolicyCenter user with a BillingCenter login can click links in PolicyCenter to view billing information within BillingCenter. In both cases, BillingCenter is the system of record for the billing information.

Creating BillingCenter Entities

Both PolicyCenter and BillingCenter work with producers, accounts, and policies. However, the applications use different terminology for the data entities and properties that represent producers in each application.

Producer Organizations

You create producer organizations and producer codes in PolicyCenter. PolicyCenter in turn sends producer organizations and producer codes to BillingCenter. Their common public IDs let you match instances of the PolicyCenter Organization entity with their corresponding instances of the BillingCenter Producer entity. At the time you create a producer organization, PolicyCenter obtains valid choices for agency bill plans from BillingCenter.

At the time you create a producer code, PolicyCenter obtains valid choices for commission plans from BillingCenter. After PolicyCenter sends the new producer code to BillingCenter, plan assignments become the responsibility of BillingCenter to manage. If you update producer details in BillingCenter, PolicyCenter remains unaware of the changes.

In addition, PolicyCenter sends contact information for new producers to BillingCenter. If you update the contact information for a producer in PolicyCenter, it sends the changes to BillingCenter. PolicyCenter and BillingCenter keep producer contact information synchronized between both applications.

Correspondence Between Producer Organizations in PolicyCenter and in BillingCenter

The following table shows the correspondence between the Organization entity and its properties in PolicyCenter and the Producer entity and its properties in BillingCenter. For each property, the table identifies which application is the system of record.

Property description	Organization entity properties in PolicyCenter	Producer entity properties in BillingCenter	System of record
Producer name	Name	Name	PolicyCenter
Tier	Tier	Tier	PolicyCenter
Primary contact	Contact	PrimaryContact	PolicyCenter
Direct bill commission payment properties default in BillingCenter to sending a check every month on the first day of the month.	n/a	Direct bill commission payment properties	BillingCenter
Agency billing plan. PolicyCenter displays a list of agency bill plans retrieved from BillingCenter.	AgencyBillPlan	AgencyBillPlan	BillingCenter
Account representatives are optional in BillingCenter. PolicyCenter does not send a value.	n/a	AccountRep	BillingCenter
Unique identifier for the producer organization within Guidewire applications.	PublicID	PublicID	BillingCenter

Correspondence Between Producer Codes in PolicyCenter and in BillingCenter

The following table shows the correspondence between ProducerCode entity properties in PolicyCenter and in BillingCenter. For each property, the table identifies which application is the system of record.

Property description	Producer code entity properties in PolicyCenter	Producer code entity properties in BillingCenter	System of record
Producer code.	Code	Code	PolicyCenter
Producer codes unique public ID to identify in Guidewire applications.	Organization.PublicID	Producer	PolicyCenter
If the value of ProducerStatus in PolicyCenter is Active or Limited, the value of Active in BillingCenter is true.	ProducerStatus	Active	PolicyCenter
PolicyCenter displays a list of commission plans retrieved from BillingCenter by CommissionPlanID.	CommissionPlanID	CommissionPlan	BillingCenter

Levels of Producer Information

Both BillingCenter and PolicyCenter specify applicable producer codes for a policy period. In the default configuration, PolicyCenter assigns a producer code as the Producer of Record when a new policy period is created. PolicyCenter forwards this producer code to BillingCenter when the policy is bound. BillingCenter stores values for commission reserves, earnings, and payments at the producer code level within T-accounts. If the primary producer changes, you can make this change in BillingCenter.

BillingCenter and PolicyCenter use producer organizations somewhat differently. In BillingCenter, producers are not direct users of BillingCenter, whereas in PolicyCenter many external users are direct users of the application. Another difference is that in BillingCenter interactions with a producer are assumed to be at the organization level. In PolicyCenter, producer interactions are assumed to be at the lowest level, that of the producer user. BillingCenter receives payments from producer organizations, and agency bill cycles and commission are paid at

the producer organization level. BillingCenter shows contacts at the organization level, and a single agency bill plan applies for a producer regardless of the number of producer codes within the producer organization. In BillingCenter, commission plans apply to a producer code, and policy general ledger values are summarized at the producer code level.

In PolicyCenter, external users, which belong to a producer organization and/or producer code within the producer organization, are allowed to execute various tasks within PolicyCenter. Permissions and authority levels control which tasks they can execute. Tasks can include submissions, policy changes, renewals, and cancellations. Producers can be assigned as participants on a PolicyCenter job, policy file, or an account. The community model in PolicyCenter controls the access of producer users to accounts, policies and jobs. For more information about the community model see

See also

- “Billing Producers and Producer Codes” in the *PolicyCenter Integration Guide*
- “Security: Roles, Permissions, and the Community Model” in the *PolicyCenter Application Guide*

Billing Accounts

In the base configuration, PolicyCenter creates an account, which is the container for policies that belong to the account. Accounts in PolicyCenter are used to manage groups of jobs, such as multiple policies due to renew on a similar date. Accounts also store information that can be shared among multiple policies, such as contacts and locations. A submission job is created within the Submission Manager of an account. When a submission is bound, it becomes a policy. At that time, PolicyCenter pushes the account and account contacts to BillingCenter. This push happens at the time of policy creation because many submissions jobs end without the creation of a policy contract. For example, sometimes the potential policyholder rejects the submissions. Sometimes the insurance carrier rejects the submissions. For certain lines of business, approximately 20% of submissions received are bound. As a result, PolicyCenter typically contains many more accounts than BillingCenter. To avoid duplicating existing billing accounts, PolicyCenter always searches BillingCenter to determine whether the account exists prior to sending a new account.

When BillingCenter receives the billing instruction, it becomes the system of record for the billing Account entity. Subsequently, BillingCenter matches account updates from PolicyCenter by means of the account number. In the default configuration, a one-to-one relationship is assumed between corresponding PolicyCenter and BillingCenter accounts. BillingCenter also can support the creation of subaccounts. In this case, BillingCenter creates new billing accounts that are not stored in PolicyCenter. With the exception of changes or additions to account contacts, BillingCenter does not send account updates to PolicyCenter.

Correspondence Between Account Properties in PolicyCenter and in BillingCenter

The following table shows the correspondence between account properties in PolicyCenter and in BillingCenter. Some account properties are set to default values in BillingCenter. You can edit the default values of these properties in BillingCenter. For each property, the table identifies which application is the system of record.

Property Description	Account entity properties in BillingCenter	Account entity properties in PolicyCenter	System of record
Account number serves as the unique ID for correspondence between the applications.	AccountNumber	AccountNumber	PolicyCenter
Account name	AccountName	AccountHolderContact.Name	PolicyCenter
Account type. Defaults to Insured.	AccountType	n/a	BillingCenter
Billing plan for the account. Defaults in BillingCenter to first delinquency plan in the alphabetized list of available billing plans.	BillingPlan	n/a	BillingCenter
Delinquency plan. Defaults in BillingCenter to first delinquency plan in the alphabetized list of available delinquency plans.	DeLinquencyPlan	n/a	BillingCenter
This field determines whether BillingCenter uses bill dates or due dates as the basis for setting invoice dates. Defaults to Bill Date.	DueDateBilling	n/a	BillingCenter
This field specifies the invoice day of the month when a monthly invoice stream is used. Defaults to 15.	InvoiceDayOfMonth	n/a	BillingCenter
This field specifies the first day of the month when a twice monthly invoice stream is used. Defaults to 1.	FirstTwicePerMonthInvoiceDayOfMonth	n/a	BillingCenter
This field specifies the second day of the month when a twice monthly invoice stream is used. Defaults to 15.	SecondTwicePerMonthInvoiceDayOfMonth	n/a	BillingCenter
This field specifies the day of week when an every week invoice stream is used. Defaults to Friday.	InvoiceDayOfWeek	n/a	BillingCenter
This field specifies the anchor date when an every other week invoice stream is used. Defaults to 01/01/2009.	EveryOtherWeekInvoiceAnchorDate	n/a	BillingCenter
Invoice delivery type. Defaults to Mail.	InvoiceDeliveryType	n/a	BillingCenter
Payment method. Defaults to Responsive.	PaymentMethod	n/a	BillingCenter
Primary payer. Use AccountHolder in policies where the account holder contact references a person. Use BillingContact where the account holder contact references a company.	Contacts.PrimaryPayer	AccountContact.Roles in two properties: <ul style="list-style-type: none">• AccountHolder• BillingContact	BillingCenter
Account holder	AccountContact.Roles.Insured	AccountContact.Roles.AccountHolder	PolicyCenter
Billing contact	AccountContact.Roles.AccountsPayable	AccountContacts.Roles.BillingContact	BillingCenter

Note: For more information about Account creation and the account fields for which PolicyCenter is the system of record, see “Billing Accounts” in the *PolicyCenter Integration Guide*.

Sometimes PolicyCenter needs to merge two accounts or transfer a policy from one account to another. In these cases, PolicyCenter initiates the merge or transfer in BillingCenter by making an API call to the account function in BillingCenter. BillingCenter completes the merge or transfer.

Policies and Policy Periods

All policies originate in either PolicyCenter or an external Policy Administration System (PAS). BillingCenter is subsequently informed of the policy and stores relevant policy information in a **Policy** entity.

When PolicyCenter creates a policy, it assigns the policy a unique ID. PolicyCenter passes this ID to BillingCenter as the **PCPolicyPublicID**. BillingCenter stores the ID in the **PCPublicID** property of the **Policy** entity. All subsequent communications between PolicyCenter and BillingCenter identify a specific policy by referencing its ID.

A policy is issued for a specific length of time, referred to as a “policy period” or “policy term.” Each policy period is represented in BillingCenter by a **PolicyPeriod** entity. A new **PolicyPeriod** entity is created in BillingCenter whenever PolicyCenter or a PAS issues a new policy, rewrites a policy, or renews a policy. Other policy operations—such as modifying, canceling, and reinstating a policy—simply modify an existing **PolicyPeriod**.

A **Policy** entity stores its associated **PolicyPeriod** entity in the **PolicyPeriods** property, which is an array of **PolicyPeriod** entities. When a policy is first issued, the **PolicyPeriods** array is initialized with the newly created **PolicyPeriod** entity. If the policy is subsequently rewritten or renewed, a new **PolicyPeriod** entity is added to the **Policy.PolicyPeriods** array.

When a new **PolicyPeriod** entity is created, BillingCenter assigns a numeric value to the entity’s **TermNumber** property. If the policy period is for a newly-issued policy, **TermNumber** is assigned a value of one. For each subsequent policy period associated with the policy—for example, when the policy is rewritten or renewed—the **TermNumber** property is incremented. Thus, for a particular policy, each **PolicyPeriod** entity stored in the **Policy.PolicyPeriods** array contains a unique integer value.

Given this organization of policies and policy periods, it can be seen that when PolicyCenter communicates with BillingCenter, the specification of a **PCPolicyPublicID/PCPublicID** identifies a particular **Policy**. In addition, the specification of a **TermNumber** identifies a particular **PolicyPeriod** within the **Policy**. This is the method used by PolicyCenter and BillingCenter to reference an existing policy and policy period.

The **PCPolicyPublicID/PCPublicID** is restricted for use by PolicyCenter and BillingCenter only. An external PAS communicating with BillingCenter must use an alternative method to specify a particular policy. BillingCenter provides such an alternative process. Each **PolicyPeriod** entity contains a **PolicyNumber** property that can be assigned and used by a PAS to uniquely identify a particular policy. When an external PAS communicates with BillingCenter, the specification of the **PolicyNumber** identifies a particular **Policy**. The PAS can specify a **TermNumber** (in the same manner as PolicyCenter) to identify a particular **PolicyPeriod** within the **Policy**.

BillingCenter is the system of record for the following properties. Each property’s initial setting is determined by PolicyCenter, but PolicyCenter cannot subsequently modify the settings. It is possible to modify each property in BillingCenter.

- Payment plan stored in **PolicyPeriod.PaymentPlan**
- Billing method (Direct Bill, List Bill, or Agency Bill) stored in **PolicyPeriod.BillingMethod**

See also

- For additional information about communications between PolicyCenter and BillingCenter, see “Billing Flow for New-Period Jobs” in the *PolicyCenter Integration Guide*.

Billing Components

This topic describes several components of billing.

Billing Instructions

After BillingCenter receives charges from the policy administration system, it splits each charge into one or more invoice items. BillingCenter then places each charge on account invoices or agency cycle statements.

See also

- For information on the charge invoicing process, see “Charge Invoicing Definition” on page 177.

Types of Billing Instructions

As PolicyCenter binds a job that could generate premium transactions, PolicyCenter sends a billing instruction to BillingCenter. Even if there are no charges, BillingCenter may need to know about a change to the policy period, such as knowing whether the period was canceled or reinstated. The following table summarizes what type of billing instruction PolicyCenter sends for different situations. A determining factor is whether a new policy and/or new period is created.

PolicyCenter Policy Transaction	BillingCenter Billing Instruction Subtype	Conditions and comments
submission	Issuance	Even if bind only (bind and bill, with delayed issuance), PolicyCenter generates charges for billing
issuance	PolicyChange	This is needed only if the issuance creates at least one premium transaction or the following properties change: PeriodStart, PeriodEnd, or Producer Code of Record. Because the PolicyCenter submission transaction already established the period, the issuance simply sends adjusting charges for the existing period.
policy change	PolicyChange	This is only needed if there is at least one premium transaction or one of the following properties change: PeriodStart, PeriodEnd, or Producer Code of Record.
cancellation	Cancellation	All cancellations
reinstatement	Reinstatement	All reinstatements
renewal (regular)	Renewal	For regular renewals. Policy must already exist in BillingCenter. IMPORTANT: Not used in a <i>conversion on renewal</i> scenario
renewal (new renewal)	NewRenewal	For new renewals. This is the policy period in PolicyCenter. Typically, you need to create the policy in BillingCenter and create a new period. IMPORTANT: Used in a <i>conversion on renewal</i> scenario
rewrite	Rewrite	A rewrite establishes a new period for the same policy.
final audit	Audit	All final audits.
premium report	PremiumReportBI	All premium reports.

Charges from PolicyCenter Transactions

The charges that PolicyCenter sends BillingCenter in a billing instruction are developed from transactions in PolicyCenter. In each PolicyCenter job, you complete a series of steps. The early steps are for data collection. Then PolicyCenter applies rates to the data to produce a quote. The quote includes costs, which are the components that make up the price of the policy coverage. Costs are then evaluated to determine the transaction amounts to send to BillingCenter as charges.

Costs Versus Transactions

The definition of a cost in PolicyCenter ultimately defines the type of charge that is sent to BillingCenter. The charge pattern of the cost indicates its subtype. In the default configuration, charge pattern subtypes include premium, taxes, and various fees. An optional charge group setting is also available in the cost definition. A charge group is a custom group name that allows charges to be grouped together for billing. After the PolicyCenter rating process creates the costs for the quote, these costs are compared with former costs of the same policy period. When costs of the same type are compared with the cost of the last bound job, a transaction is generated. A cost represents the price of coverage for the policy period (or a segment of the policy period). Transactions are the differences to be charged by BillingCenter at the bind of a new job. In most cases, transactions are used for both:

- Generating BillingCenter messages
- Calculating the carrier's earned premium and written premium. In some cases, separate transactions can be required for the Earned Premium or Written Premium calculations.

For example, during a submission job, suppose the cost of coverages for a policy term is \$250. The initial set of costs and the resulting transactions then total \$250. This is because the submission costs are the first ones generated for the policy term. When a subsequent policy change job results in total costs of \$275, the resulting transactions total \$25. This is because PolicyCenter has already sent \$250 in transactions to BillingCenter with the submission. PolicyCenter sends an additional \$25 in transactions to BillingCenter with the policy change.

Transactions to Billing Charges

PolicyCenter tracks costs and transactions at the lowest level of detail generated by the rating engine. BillingCenter can receive and bill each policy transaction separately. However, typically BillingCenter aggregates these amounts at some meaningful level for the account holder. During integration, the message sent by PolicyCenter can be configured to the lowest level of detail that BillingCenter requires. The transaction amounts become charges in BillingCenter. In the default configuration, PolicyCenter aggregates amounts at the Charge Pattern level.

If you use the built-in BillingCenter integration, use the following table as a reference for the mapping of Charge properties between PolicyCenter and BillingCenter.

PolicyCenter property	BillingCenter property	Description
Sum(Transaction.Amount)	Amount	Transaction amount
Cost.ChargePattern	Charge.ChargePattern	You can choose your desired granularity of charge patterns. You can tag individual costs (premiums or taxes/surcharges) with the proper charge pattern as part of rating, if desired.
Cost.ChargeGroup	Charge.ChargeGroup	Use this property to group together charges that are of the same charge pattern (for treatment) and could display together or netted out only among items in the same group. This is a text property allowing arbitrary choices for grouping. Likely uses are grouping by Location or for charges for the same Car, for example.
Transaction.EffectiveDate	n/a	Transaction effective date, useful to calculate earned premiums or equity date.
Transaction.ExpirationDate	n/a	Transaction expiration date, useful to calculate earned premiums or equity date.

When PolicyCenter rolls transactions into charges, PolicyCenter sends the following properties:

- Cost.ChargePattern
- Cost.ChargeGroup
- EffectiveDate
- ExpirationDate

Payment Settings

The PolicyCenter user selects both:

- The payment plan that BillingCenter will use to divide the billing charges
- The billing method: Direct Bill, List Bill, or Agency Bill

You make these selections in PolicyCenter jobs that create new policy periods. The jobs contain a payment page, which the user accesses after a quote. To produce information about payment plan choices, PolicyCenter makes a call to BillingCenter to obtain the billing choices available for the policy period.

Billing Method

In PolicyCenter, you select from the billing methods available: Agency Bill, List Bill, and Direct Bill.

In the default configuration, the choices available are based on the producer organization. If you are a producer that is assigned an agency bill plan within BillingCenter, the Agency Bill choice is made available along with Direct Bill and List Bill. In the case where you do not have an agency bill plan, only List Bill and Direct Bill are available.

Alternate Billing Account

Use the **Alt Billing Account** field to select an account payer that is not the policy owner, if any. There are several reasons to use an alternate billing account:

If the PolicyCenter user selects Direct Bill or List Bill billing method, they can select an alternate billing account. The **Alt Billing Account** setting in PolicyCenter corresponds to the **Overriding Payer** policy setting in BillingCenter.

The PolicyCenter user interface offers two options to the user for selection of an **Alt Billing Account**:

- **Search** – This option is only available for Direct Bill Accounts. Only *PolicyCenter* accounts are searched for an alternate billing account. This is because Producer Code Security must be enforced. PolicyCenter producer users are only allowed to see PolicyCenter accounts they are associated with. The BillingCenter integration with PolicyCenter does not provide a way to enforce producer code security from the BillingCenter.
- **Billing Subaccounts** – Fetches a list of subaccounts for the currently selected account from BillingCenter. This does not present a security problem for producer users, because in the case of subaccounts, producers only see subaccounts of the current account, which they have permission to view.

An alternate billing account is required for List Bill accounts. The search makes a call to BillingCenter for a list of list bill payers. All list bill payers are kept in BillingCenter.

Billing Contact

If the PolicyCenter user selects billing method Direct Bill, they can also select a Billing Contact. The Billing Contact is the person to contact if there are questions about billing. For example, the billing contact can be the account holder, an accounts payable department, or the person in charge of billing at a company. This field appears if the Billing Method is Direct Bill. This field is not available for Agency Bill or List bill Policies.

Payment Plan

In PolicyCenter, you next select a payment plan. The available payment plans are listed as **Installment Plans** on a summary page. The listed payment plans are limited to those defined in BillingCenter as **Is Reporting** set to **No**. The summary includes the description, down payment, largest installment invoice, and total policy costs billed for each plan. After selecting a plan, you can preview a summary of the invoice dates and amounts that will be generated.

When a line of business is eligible for premium reporting, the **Payment Method** field is available on the payment page. The **Payment Method** choices are **Installments** and **Reporting Plan**. If you select **Installments**, the non-reporting payment plans (**Is Reporting** set to **No**) are summarized. If you select **Reporting Plan**, PolicyCenter displays the audit schedules. Audit schedules are used to configure the frequency and number of premium reports. A list of scheduled items with a type of premium report is added to the policy at the time the job is bound. Each audit schedule choice corresponds to a BillingCenter payment plan with **Is Reporting** set to **Yes**. In PolicyCenter Studio, you can view and configure audit schedules. Each of the scheduled items of the audit schedule later becomes a Premium Report jobs in PolicyCenter.

Note: In the default configuration of PolicyCenter, premium reporting is enabled for only the Workers' Compensation line of business.

Payment Plan Overrides

BillingCenter uses the same payment plan for a policy, regardless of the billing instruction type. However, different types of billing instructions can have different billing requirements. The **Overrides** section of a payment plan allows you to define overrides that are specific to the billing instruction type. For example, you can suppress the down payment for existing policy period billing instructions. See “[Payment Plan Contents](#)” on page 113 for details.

IMPORTANT In the default configuration, PolicyCenter uses payment plan modifiers instead of payment plan overrides. Guidewire recommends that you configure payment plans to use overrides and replace the payment plan modifiers.

Invoice Stream

The **Invoicing** fields appear in PolicyCenter if you select a **Billing Method** of **Direct Bill** or **List Bill**. The installment plan and alternate billing account determine which invoice streams are available and which invoice stream is the default.

PolicyCenter displays all available invoice streams, but only those that have compatible periodicity with the currently selected **Installment Plan** are selectable. For example, if you select a monthly installment plan, PolicyCenter hides the radio button in the **Select** column of an invoice stream with periodicity of every other week.

If the **Billing Method** is **List Bill**, you can select an existing invoice stream, but you cannot add a new invoice stream.

If the **Billing Method** is **Direct Bill**, you can select an existing invoice stream or add a new invoice stream. If you add a new invoice stream, that invoice stream is created as a custom invoice stream in BillingCenter.

The **Automatic** or **Manual** payment setting allows the PolicyCenter user to select an existing payment instrument or to add and select a new one. **Manual** payment in PolicyCenter corresponds to the **Responsive** payment instrument in BillingCenter.

Click the **Add** button to create a new payment instrument. In the default configuration, PolicyCenter displays a **Demo Payment System** screen to enter payment information for a credit card or ACH/EFT. If you integrate with a payments system, clicking the **Add** button could take the user to a similar screen that the payments system displays. After entering the data, the user is returned to PolicyCenter.

Final Audit Settings

In the default configuration of PolicyCenter, final audits are enabled for the Workers' Compensation and General Liability lines of business. In the cases where final audit is optional, you can choose to add a final audit to the policy, allow rules to decide, or explicitly not schedule a final audit. As in premium reporting, an individual scheduled item is added to the audit schedule of the policy upon bind. This scheduled item later becomes a final audit job, which results in an Audit billing instruction.

When a final audit is applicable, the policy period in BillingCenter is updated to indicate a final audit applies. This is done by setting the **Require Final Audit** field to Yes and setting the **Closure Status** field to **Open Locked**. If a final audit is waived or the policy is canceled flat, PolicyCenter notifies BillingCenter to reset the **Require Final Audit** flag to No and the **Closure status** to Open.

In the default configuration of PolicyCenter, you select the payment plan only for new policy period jobs. After the new policy period is bound and sent to BillingCenter, any changes to the payment plan are made in BillingCenter. For rewrite and renewal jobs, PolicyCenter makes a call to BillingCenter to obtain the payment plan of the existing policy period. This is used as the default for the new policy period. In PolicyCenter, you can keep the default plan or select a new one.

See also

- “Final Audit Jobs” on page 415

Billing Processes

The integration of BillingCenter and PolicyCenter includes many features that allow carriers to handle special billing needs. Most of these integrations are related to particular PolicyCenter job processes. This section describes various processes that BillingCenter and PolicyCenter share and the role of each application in the process.

PolicyCenter sends messages about the charges that BillingCenter needs to bill. These messages result in billing instructions of various types. The billing instruction type relates to the PolicyCenter job type. For example, the **Issuance** billing instruction type relates to the PolicyCenter submission job. Payment plan overrides in BillingCenter can accommodate different handling for each billing instruction type. For example, a carrier may wish to exclude a down payment amount for all policy changes.

PolicyCenter Submission, Renewal, and Rewrite Jobs

Submission, renewal, and rewrite jobs in PolicyCenter create a new policy period. Upon binding the job, PolicyCenter produces a message that initiates a billing instruction in BillingCenter. In nearly all cases, the first job of a policy is a submission. This job happens the first time the carrier evaluates the policyholder to determine whether to offer coverage. The submission job requires the most manual data entry of any new policy period job. Similar to the submission job, the rewrite job is also initiated manually. However, rewrite takes advantage of existing policy data by copying that data and allowing you to update it. Renewal is the most automated of the new period jobs. The renewal process is usually highly automated and very *low touch*.

The following illustration shows the steps and messaging that occur between the applications when you quote a policy for the following jobs: submission, renewal, and rewrite.

PolicyCenter action	Messaging	Billing system action
1. User quotes. 2. User advances to Payment screen.	3. PolicyCenter sends message to get billing options, installment plans, and invoicing plans.	4. Check to see if the producer code of record allows agency bill for this producer. 5. Look up installment and invoicing plans.
6. User selects billing method. 8. User selects installment plan. 9. (Optional) User clicks to preview payments that billing system returned.	6. Billing system returns billing options, available installment plans, and invoicing plans.	
7. User selects invoicing plan. 14. User binds policy.	10. PolicyCenter sends message with the selected payment plan.	11. Calculate payment schedule.
13. User selects invoicing plan.	12. Billing system returns payment schedule which can be viewed in PolicyCenter.	
15. If the billing system does not know about the account, PolicyCenter sends account information. 16. If the user adds an invoicing plan, PolicyCenter sends new invoicing information.		17. If account is unknown, create account. 18. If new invoicing plan, add to invoicing plans.
19. PolicyCenter sends message to create a new policy and/or policy period in billing system. In that same message, PolicyCenter sends billing charges related to that policy transaction.		

PolicyCenter action	Messaging	Billing system action
		<p>20. Create policy or policy period on the account. Set <code>PolicyPeriod.BoundDate</code> to the policy's model date (the date when the policy was bound) as reported by PolicyCenter. Set <code>PolicyPeriod.TermConfirmed</code> to <code>false</code>. The policy term/period is bound, but not confirmed until payment is received and any other conditions for official binding are met.</p>
		<p>21. Process and apply the new charges.</p> <p>22. Process payment when received.</p> <p>23. Call <code>IPolicyPeriod.hasReceivedSufficientPaymentToConfirmPolicyPeriod</code> to determine whether payment is sufficient. Payment may be sufficient, for example, if it is equal to or greater than the amount due on the renewal's first invoice. The call returns <code>true</code> if the payment is sufficient.</p>
24. If <code>PolicyPeriod.ConfirmationNotificationState == NotifyUponSufficientPayment</code> , BillingCenter notifies PolicyCenter that sufficient payment has been received by calling the PolicyCenter <code>PolicyRenewalAPI.confirmTerm</code> method.		
25. Set <code>Policy.PolicyTerm</code> flag to true.		
	26. PolicyCenter sends BillingCenter a message that the policy term/period is officially confirmed.	
		<p>27. Record the confirmation by setting <code>PolicyPeriod.TermConfirmed</code> to <code>true</code>.</p>

Specialized Renewals

PolicyCenter begins processing renewal jobs in advance of the expiration date of the current policy term. This allows time for PolicyCenter to gather the information necessary to evaluate and rate the renewal. The renewal process differs significantly from the submission process because it is highly automated. In many cases, PolicyCenter automates this process all the way from initiation to bind. After the policy is bound, PolicyCenter sends a new policy period to BillingCenter along with all the information to produce the Renewal billing instruction.

Under normal conditions, a renewal occurs to an existing policy. However, when converting from a legacy billing system to BillingCenter, the renewal can occur to a legacy system policy that does not yet exist in BillingCenter. In such a situation, PolicyCenter can decide to send a NewRenewal billing instruction to BillingCenter. The NewRenewal instruction informs BillingCenter that the renewal is occurring to an existing legacy system policy that is new to BillingCenter.

The default integration between BillingCenter and PolicyCenter supports three forms of renewal processing.

- **Bind and Cancel processing** – The base configurations use this method of processing for all lines of business. Operating under the assumption that the policyholder wants and expects the renewal to be processed automatically, PolicyCenter binds and issues the renewal. When BillingCenter receives the Renewal billing instruction, it produces charges and invoices according to the applicable payment plan.

If no payment is received by the due date, BillingCenter starts a Not Taken delinquency. The delinquency process initiates the Cancel Immediately workflow, which notifies PolicyCenter that no money was received. PolicyCenter responds with a flat cancellation for the policy term.

If a partial payment is received, BillingCenter starts a standard Past Due delinquency, and PolicyCenter generates an activity for the underwriter to determine the necessary action.

- **Confirmed Renewal processing** – In this form of processing, renewal terms remain unconfirmed until certain conditions are met, such as receipt of a sufficient payment.

First, PolicyCenter binds the renewal term and initiates a new policy period in BillingCenter. In PolicyCenter, the policy term exists as “unconfirmed,” and the policy summary screen includes an appropriate alert message. BillingCenter processes a Renewal billing instruction using the usual payment plan and charge details and performs its normal charge invoicing process.

When BillingCenter receives sufficient payment, it notifies PolicyCenter that the payment condition has been met. If additional conditions exist, PolicyCenter checks whether they have been satisfied. After all conditions are met, PolicyCenter marks the policy term as “confirmed” and notifies BillingCenter to do the same.

Confirmed Renewal processing is not enabled in the base configurations. To enable it, two plugins must be modified.

- In PolicyCenter, the `PolicyRenewalPlugin` class `doesRenewalRequireConfirmation` method must return `true`. By default, it returns `false`.
- In BillingCenter, update the `PolicyPeriod` class `hasReceivedSufficientPaymentToConfirmPolicyPeriod` method to set the sufficient payment amount.
- **Renewal Offer processing** – In this form of processing, PolicyCenter does not bind the renewal term until BillingCenter receives sufficient payment. Because the term is not bound, the policy period does not exist in BillingCenter.

First, PolicyCenter sends an offer letter to BillingCenter that specifies the required payment amount, due date, and a Renewal Offer Number. BillingCenter saves the Renewal Offer Number to identify the appropriate policy.

When BillingCenter receives a payment with the Renewal Offer Number, it creates a suspense payment and notifies PolicyCenter. If the payment amount is sufficient, PolicyCenter binds the term and sends BillingCenter a Renewal billing instruction that includes the Renewal Offer Number. BillingCenter uses the Offer Number to identify the appropriate policy, create the policy period, and release the suspense payment.

If partial or no payment is received by the due date, the offer expires and PolicyCenter closes the renewal transaction as Not Taken. If partial payment is received, PolicyCenter generates an activity to review the case. A possible outcome is for PolicyCenter to request that the payment be disbursed back to the sender.

Renewal Offer processing is not enabled in the PolicyCenter base configuration. To enable it, the PolicyCenter `PolicyRenewalPlugin` class `isRenewalOffered` method must return `true`. By default, it returns `false`. BillingCenter requires no additional configuration to support Renewal Offer processing.

Policy Period Billing Instructions

After a policy term has been established, PolicyCenter can generate various messages that apply to the existing policy period. BillingCenter provides policy period billing instructions to handle the specific PolicyCenter job. These billing instructions can become effective at any time during the established policy term. BillingCenter can issue them on any date after the policy period has been bound, even after the policy term expires. Each PolicyCenter job that produces a billing instruction message has a particular purpose that requires specific handling by BillingCenter. Information that amends the BillingCenter policy period can also be included.

There are two major categories of existing policy period billing instructions:

- **Billing instructions handled by the underwriting department** – These billing instructions also process the new policy period jobs. These jobs commonly apply to policies for any line of business. They include issuance, policy change, cancellation, and reinstatement.
- **Billing instructions for jobs typically handled by a premium audit department** – These specialized jobs apply to commercial policies of specific lines of business. They include final audit and premium report jobs.

Although the purpose of each underwriting job varies, they follow the same major steps of quote and bind in PolicyCenter.

The following illustration shows the steps that occur between the applications when you quote a policy for job types issuance (not submission), policy change, cancellation, and reinstatement.

PolicyCenter	Messaging	Billing system
1. User quotes in PolicyCenter		
2. User advances to Payment screen. Note: This step applies to most jobs, but not Cancellation.		
3. User binds policy.	4. PolicyCenter sends message to update the policy and/or policy period in the billing system. In the same message, PolicyCenter sends billing charges related to that job.	5. Billing system actually processes and applies new charges.

The process steps for final audit and premium report jobs are different. See “Final Audit Jobs” on page 415 and “Premium Report Jobs” on page 416 for details.

Policy Change and Issuance Jobs

You can use policy change jobs to implement various amendments to the policy contract. The amendments can include changes to the policy period and/or changes to the costs of the policy. Both the Issuance and Policy Change jobs result in a policy change billing instruction.

Issuance jobs are necessary only when a submission job is bound but not issued. This typically means that the process of binding confirms policy coverage, but the policy contract is not ready to be provided or issued to the policyholder. Issuance must be the first job that is processed after the submission job. The issuance job allows the user to change anything about the policy period. Changes can include modifying the policy effective and expiration dates.

As with an issuance job, a policy change job allows the user to make amendments to the policy period or the policy costs.

When a policy change billing instruction includes a change to either the effective or expiration date of the policy term, special handling may be appropriate. For example, the carrier may wish to change the BillingCenter payment plan so that existing and new charges are reassigned to a more appropriate number of invoices.

In the default implementation of PolicyCenter, a user is allowed to amend the payment information sent to BillingCenter. To take advantage of these adjustments, configuration of BillingCenter is required. The policy change payment page in PolicyCenter allows you to indicate the overrides to apply to the standard payment plan of the policy. The choices include amending the down payment percentage, amending the number of installments for charge, and billing the charges immediately.

Cancellation Jobs

The purpose of a cancellation job is to end coverage. When the effective date of the cancellation (that is, the date coverage ends) equals the effective date of policy period, the cancellation is a *flat* cancellation. This type of cancellation is used to indicate that no coverage is being provided by the policy issued. When the effective date of the cancellation is after the effective date of the policy period, the cancellation is a *midterm* cancellation. This cancellation indicates the date on which coverage ends, regardless of the expiration date of the policy.

Either BillingCenter or PolicyCenter can initiate a cancellation job. In various BillingCenter delinquency workflows, the *Send Notice of Intent to Cancel* step initiates non-payment cancellation. When BillingCenter initiates a non-payment cancellation and subsequently receives payment, it will initiate either a rescind or reinstate message to PolicyCenter. In PolicyCenter, the rescind process applies when the cancellation job is in a pending cancel status. This is an automated process which ends the cancellation job by negating it with a rescind notice to the policyholder. If the cancellation was bound in PolicyCenter, BillingCenter notifies the BillingCenter business manager through an activity. The business manager then provides details of the payment to the underwriter. The underwriter will evaluate the situation and decide whether a reinstatement or rewrite of the coverage is appropriate, or the cancellation and coverage end date will stand.

There are many reasons that a cancellation might be necessary. These include non-payment of premium, request by the insured, out of business, for example. Some cancellations are initiated by the insurance carrier, such as non-payment. Others are initiated by the policyholder, such as request by the insured. PolicyCenter tracks the source of the cancellation job as *Carrier* or *Insured*. When source of the cancellation is the insured, there are usually no system restrictions on the cancellation date. When the source of the cancellation is the carrier, state regulations determine the earliest cancellation date available. For example, a cancellation for non-payment must usually provide a warning notice to the policyholder of 10 days. A cancellation notice is sent to the policyholder stipulating the amount of premium due and the date the cancellation becomes effective. Typically if the policyholder complies with a payment prior to the cancellation date, the cancellation is rescinded and coverage continues. If the policyholder does not comply prior to the cancellation effective date, coverage ends on the cancellation effective date.

You can configure cancellations initiated from BillingCenter so that BillingCenter provides the cancellation effective date. In these cases BillingCenter has integrated with a third-party system which provides the earliest legal effective date. In the default configuration, BillingCenter sends a message to cancel as soon as possible, allowing PolicyCenter to use its own cancellation effective date.

When a cancellation notice includes a future cancellation date, the cancellation job remains in an automated workflow with a *pending cancellation* status. Once the cancellation date arrives, without compliance, the cancellation is bound, and a cancellation billing instruction is sent to BillingCenter.

It is very common for the total charges of a cancellation billing instruction to be credit charges. This is because the portion of the charge representing the period of time between the cancellation effective date and the expiration date of the policy is being returned to BillingCenter. In the BillingCenter default configuration, future invoice items are collapsed into a new invoice generated for the cancellation effective date. The cancellation credits can then be applied to the future invoice items. The BillingCenter default configuration uses a return premium plan that allocates credits to charges last to first, allocating credits to the charges for the cancelled part of the policy period. The returned premiums will match the charges on the cancelled invoices. The net amount of the charges for the policy period will match the total premium calculated in PolicyCenter for the period coverage was in effect.

An exception is made when a policy period requires a final audit. In this case, the cancellation billing instruction collapses future invoice items into a single invoice which includes the cancellation charges. However, all charges receive a specialized hold on the unbilled portion of all charges. The hold applies until the final audit charges are received with the final audit billing instruction. The reason for this hold is that the cancellation job in PolicyCenter produces only an estimate which is verified and finalized by a final audit.

The default return premium plan is not recommended for use with policies that require a final audit. This is because the default plan has a **Cancellation** context whose **Allocate Timing** property is set to **On Receipt**. It would make BillingCenter allocate the policy's return premium credit immediately, which could cause BillingCenter to issue a refund before the actual amount to be refunded is known.

Most customers prefer for policies that require a final audit to use a return premium plan with a **Cancellation** context whose **Allocate Timing** property is set to **Billing**. BillingCenter then does not allocate the credit at the time of cancellation. BillingCenter places a hold on the credit, and releases the hold when the final audit is complete. At that time the actual charges are known, so BillingCenter can allocate the credit correctly and refund anything that is left over.

Reinstatement Jobs

PolicyCenter can send a reinstatement billing instruction after a cancellation billing instruction. The reason for the reinstatement job is to void a cancellation and allow coverage to resume for the policy period of the cancellation. Some carriers allow reinstatements to be effective for a period of time after the cancellation date. This represents a policy period with a lapse of coverage for some period. In the default PolicyCenter implementation, a reinstatement always entirely voids the cancellation and allows coverage to continue uninterrupted. If a lapse in coverage is required, you start a rewrite job with an effective date after some time after the cancellation effective date.

BillingCenter can obtain payment for a BillingCenter initiated non-payment cancellation. When the policyholder sends this payment after the cancellation has been bound, BillingCenter provides the business manager with an activity. The business manager is responsible for providing details of the payment to the underwriter. The underwriter can evaluate the situation and decide if a reinstatement job is appropriate.

Final Audit Jobs

In PolicyCenter, the premium audit department processes Final Audit jobs. The purpose of a final audit is to recalculate the total cost of the policy based on information obtained directly from the policyholder. This process becomes necessary when the policy premium calculation is based on some fluctuating, unpredictable exposure. For example, Workers' Compensation policy premium is based on the total payroll paid by the policyholder to employees during the policy term. This policy is initiated with an estimate of expected payrolls and is finalized by an audit that includes actual payrolls paid. Since actual amounts for the period cannot be obtained until that period is over, the final audit is always processed after the end date of coverage for each policy term. For most policies, this is after the expiration date. For canceled policies, this is after the cancellation effective date. In the default PolicyCenter implementation, final audits can be scheduled for the Workers' Compensation and General Liability lines of business.

BillingCenter knows that a final audit is required based on its **Require Final Audit** flag, which is set whenever a final audit is scheduled in PolicyCenter. It is reset from **Yes** to **No** when BillingCenter receives the final audit billing instruction or the final audit job is waived in PolicyCenter. It is also reset to **No** when PolicyCenter processes a flat cancellation.

There are two approaches that carriers take when sending audit premiums to the billing system:

- The policy system can send the total amount of premium calculated for the policy term. The billing system needs to compare this total to the previously received charges to determine what to bill.
- The policy system can send the incremental charge, which is the difference between the final audit total and the amount previously sent to the billing system. The default PolicyCenter implementation sends incremental charges to BillingCenter.

In the special case of a midterm cancellation, BillingCenter holds the unbilled portion of charges until the final audit is received. The unbilled portion is held to avoid returning an estimated cancellation credit and then subsequently rebilling premiums if the final audit discloses actual premiums are higher than the estimate. This hold is initiated upon receipt of a cancellation billing instruction when a final audit is required. This hold leaves billed invoices intact but carries forward any unbilled items to future invoices. BillingCenter releases the cancellation hold when any one of the following occurs:

- The final audit is completed. The Audit billing instruction is sent to BillingCenter.
- The cancelled policy is reinstated. The Reinstatement billing instruction is sent to BillingCenter.
- The final audit is waived.
- The policy cancellation is amended to a flat cancellation. This amendment also removes the final audit requirement.

When a final audit requires correction, PolicyCenter either reverses the original final audit and generates a new one or revises the existing final audit. Audit billing instructions are used for the reversal, new final audit, and the revised audit jobs.

Premium Report Jobs

The purpose of premium reporting is to bill policy premiums throughout the policy period using actual premiums based on exposures, such as payroll, obtained periodically from the policyholder. This approach is necessary because payrolls fluctuate, and a policyholder wants to pay premiums based on the actual premiums earned through the entire policy period. In the default PolicyCenter implementation, premium reporting is enabled for only the Workers' Compensation line of business. The premium audit department uses PolicyCenter to process Premium Report jobs in the same way as final audits. Premium report policies use a payment plan with an **IsReporting** field value of Yes.

Each premium report requests the payroll detail for a specific period of time based on the frequency specified in the selected audit schedule. The available audit schedules are shown on the payment page of the new policy period when the payment method is **Reporting Plan**. The default frequencies for premium reports are monthly and quarterly.

PolicyCenter submits Premium report billing instructions to BillingCenter after the close of each reporting period. After the reporting period has ended, the actual payrolls are requested of the policyholder and the premium report job is completed. After the premium is calculated for the premium report period (quoted), the **Submit** button is enabled so that the user can send the reported premium to BillingCenter.

For direct bill policies, completed premium reports are typically received with payment for the given report period. In these cases, carriers can configure BillingCenter to create a direct bill suspense item for the monies received. The suspense item contains an identifier such as the PolicyCenter job number. The identifier allows a billing clerk to identify the held monies when the corresponding billing instruction of the premium report is received. In other cases, PolicyCenter processes the premium report and then provides the payments to BillingCenter. To handle these cases, the PolicyCenter premium report job allows the user to indicate that a payment was received. A billing instruction message notifies BillingCenter of the payment. BillingCenter processes the charges and places a hold on them. If a payment was configured to be applied directly to the charge, the hold is released.

There is a delay between the time a coverage lapses and premium reports are processed. Therefore, premium report policy periods require a cash deposit to be held in BillingCenter as a security deposit for the policy period. PolicyCenter sends the deposit requirement to BillingCenter with certain types of billing instruction. New policy period, policy changes, and audits are all billing instructions that include a deposit requirement. PolicyCenter sends a null deposit requirement with cancellation, reinstatement, and premium report billing instructions to indicate to BillingCenter not to make a change. The deposit is established in BillingCenter as a collateral requirement, which is held at the account level and shown as segregated for the specific policy period.

Note: The term *segregated* means that the monies are set aside for this policy period. Segregated monies cannot be used to satisfy other collateral requirements.

In BillingCenter, the initial collateral requirement is set on the billing account. A collateral requirement fulfillment charge is created to bill the deposit to the policyholder. When BillingCenter receives the payment, the collateral is shown as compliant. When new billing instructions are received, such as a policy change, PolicyCenter sends a new deposit requirement to BillingCenter. BillingCenter closes the old collateral requirement and replaces it with a new one. If the new requirement indicates additional monies are needed, BillingCenter automatically generates a new collateral requirement fulfillment charge for the difference between the old and new requirements.

For the final audit, PolicyCenter sends a deposit requirement of \$0 with the final audit billing instruction to close the collateral requirement of the policy period. A final audit is a required job in PolicyCenter whenever a policy is on premium reporting. The final audit ensures that BillingCenter closes the collateral of the period when it is no longer needed.

Before the final audit of a policy period is completed, PolicyCenter sends a collateral requirement for the next issued policy period. Carriers can configure this collateral as a replacement for the collateral of the previous policy period. In the default implementation, the deposit requirement of the new period becomes its own separate collateral requirement. The carrier can also configure how to draw down a closed requirement. For example, the collateral can be transferred to the account for application toward the final audit or the renewal period's charges.

Multicurrency Integration Between BillingCenter and PolicyCenter

BillingCenter and PolicyCenter support integration of multicurrency accounts and producers. PolicyCenter manages the relationship aspects of accounts and producers. BillingCenter manages the accounts receivable, commissions payable, and cash application aspects of accounts and producers. Because the two applications manage different aspects of accounts and producers, each application represents them differently for multicurrency purposes.

PolicyCenter manages the relationship between the insurer and an insured through policies. An account in PolicyCenter represents this relationship. PolicyCenter permits an account to have policies that cover assets valued in different currencies. For example, a commercial property policy might cover properties in multiple countries, with each property on the policy valued in the currency of its location.

BillingCenter manages billing activities for policies, and it pays commissions earned by producers of policies. To maintain accounting integrity, BillingCenter does not permit an account to have transactions in multiple currencies. Instead, BillingCenter manages each account to be certain that transactions can occur in only one currency. Similarly, BillingCenter tracks commission earned by each producer in only one currency.

Therefore, while PolicyCenter has a single account or producer regardless of currencies, BillingCenter must have multiple affiliated accounts and producers, one for each currency.

Billing and Policy Multicurrency Account Correspondence

A PolicyCenter account with policies and assets in a single currency has a single correspondent account in BillingCenter. In contrast, a PolicyCenter account with policies and assets in a mix of currencies has a correspondent set of affiliated BillingCenter accounts, one for each currency in the PolicyCenter account. The currencies in a PolicyCenter account are the currencies in all policy periods of all policies associated with the account.

Within a set of BillingCenter accounts affiliated with a PolicyCenter account, one account is the *primary affiliated account*. A primary affiliated account retains the public ID of its correspondent multicurrency account in PolicyCenter. PolicyCenter retains the public ID only of the primary affiliated account and remains unaware of any secondary affiliated accounts created by BillingCenter.

Whenever PolicyCenter sends integration messages to BillingCenter that involve multicurrency accounts, PolicyCenter passes a currency parameter and the public ID of the account in BillingCenter that PolicyCenter first created. BillingCenter uses the currency that PolicyCenter passes to determine whether to:

- Split the account into a primary affiliated account and a secondary affiliated account for the new currency.
- Create an additional affiliated account for the new currency.
- Locate the affiliated account for the currency.

Regardless of the actions that BillingCenter takes, PolicyCenter is aware of only one account in BillingCenter.

See also

- “Billing Accounts” on page 402

Billing and Policy Multicurrency Producer Correspondence

In PolicyCenter, an *organization* represents a producer, such as an agency or a broker. In BillingCenter, a *producer* corresponds to a producer organization in PolicyCenter. Both entities represent agencies and brokers, not individuals. A producer organization produces policies through individual producers, such as agents.

See also

- “Producer Organizations” on page 400

Commission Plans Set Currencies for Producer Codes

Individual producers earn commissions on the policies they produce. In BillingCenter and PolicyCenter, producer codes identify individual producers for commission purposes. In some cases, individual producers share the same producer code. PolicyCenter tracks which producer codes produced which policies. BillingCenter tracks commissions earned by each producer code and periodically initiates commission payments. Commissions generally are not paid directly to individual producers. Instead, aggregate commissions are paid to the producer organization, which in turn disburses commission payments to individual producers.

In PolicyCenter, you add commission plans to producer codes. In BillingCenter, you define the commission plans that you can add to producer codes in PolicyCenter. A commission plan covers commissions in a single currency. For a producer code to produce policies in a mix of currencies, you must add a commission plan for each currency. BillingCenter receives new producer organizations and producer codes from PolicyCenter, along with their currencies.

Single Currency Producer Codes and Producer Organizations

A producer code in PolicyCenter with one commission plan has a single correspondent producer code in BillingCenter. All commissions are earned and paid in that currency. The producer code in BillingCenter retains the public ID of its correspondent producer code in PolicyCenter, and the producer code in PolicyCenter retains the public ID of its BillingCenter counterpart. In addition, the producer code in BillingCenter is associated with its BillingCenter producer in the same currency.

Multicurrency Producer Codes and Producer Organizations

A producer code in PolicyCenter with commission plans in a mix of currencies has a correspondent set of affiliated producer codes and producer organizations in BillingCenter. Each affiliated producer organization aggregates commissions earned by its producer codes in one of the currencies of the organization’s commission plans. Each affiliated producer code for a specific currency is associated with its affiliated producer organization of the same currency.

Within a set of BillingCenter affiliated producer codes associated with a PolicyCenter producer code, one producer code is the *primary affiliated producer code*. A primary affiliated producer code retains the public ID of its correspondent multicurrency producer code in PolicyCenter. PolicyCenter retains the public ID only of the primary affiliated producer code and remains unaware of any secondary affiliated producer codes created by BillingCenter.

Whenever PolicyCenter sends integration messages that involve multicurrency producers codes, PolicyCenter passes a currency parameter and the public ID of the producer code in BillingCenter that PolicyCenter first created. BillingCenter uses the currency that PolicyCenter passes to determine whether to:

- Split the producer code into a primary affiliated producer code and a secondary affiliated producer code for the new currency.
- Create an additional affiliated producer code for the new currency.
- Locate the affiliated producer code for the currency.

Regardless of the actions that BillingCenter takes, PolicyCenter remains aware of one producer code only in BillingCenter.

Default Billing and Policy Multicurrency Integration

The default implementations of plugins and web services in BillingCenter and PolicyCenter handle the differences in multicurrency accounts and producers automatically. However, you must configure both application instances to enable their multicurrency integration successfully. For example, you must set up each instance with the currencies they share.

See also

- “Enabling Multicurrency Integration” on page 461 in the *Configuration Guide*

Limitations of Multicurrency Billing and Policy Integration

Multicurrency integration between BillingCenter and PolicyCenter has the following limitations in the base configuration:

- **Delinquency Processing** – In the base configuration of BillingCenter, each affiliated account has its own delinquency process. If one affiliated account becomes delinquent, the other affiliated BillingCenter accounts do not become delinquent automatically.
- **List Bill Accounts** – In the base configurations of BillingCenter and PolicyCenter, list bill accounts do not support multicurrency integration. List bill accounts are payers for policies in a single currency only.

You can overcome the preceding limitations with configuration.

See also

- “Multicurrency Integration between BillingCenter and PolicyCenter” on page 405 in the *Integration Guide*

BillingCenter Web Services

Communication between BillingCenter and an external policy administration system, such as PolicyCenter, is performed through the use of web services. BillingCenter provides web services that follow the standard SOAP protocol.

For general information about web services, see “Web Services Introduction” on page 27 in the *Integration Guide*.

For billing-related web services published by BillingCenter, see “Billing Web Services” on page 83 in the *Integration Guide*.

For information on integrating BillingCenter with PolicyCenter, see “Billing System Integration” in the *PolicyCenter Application Guide*.

Related Integration Documentation

The following table lists additional topics related to integrating BillingCenter with an external policy administration system.

Topic	See
Enabling integration between BillingCenter and PolicyCenter	"Enabling Integration between BillingCenter and PolicyCenter" on page 86 in the <i>Installation Guide</i>
Interfaces	"Interfaces" on page 219 in the <i>Gosu Reference Guide</i>
Plugins	"Plugin Overview" on page 135 in the <i>Integration Guide</i>

Contact Management System Integration

A contact management system maintains contacts in a central location. These contacts can be shared across applications. The default configuration of BillingCenter includes an integration with Guidewire ContactManager. You can also integrate BillingCenter with the contact management system of your choice. In the default configuration, the integration with ContactManager is not enabled.

This topic describes how BillingCenter integrates with a contact management system in general, and ContactManager in particular.

You can integrate BillingCenter with more than one contact management system. ContactManager can be one of these systems.

BillingCenter uses contacts in accounts and policies in a various ways. Contacts represent named insureds, account holders, billing contacts, additional interests, and other roles on accounts and policies. BillingCenter can store the contacts in its internal address book and in a contact management system. In this case, the contact management system is usually the system of record for contacts.

You can configure the integration to store part of the contact information in the contact management system and other parts in the BillingCenter internal address book. Each application is the system of record for a portion of the contact information. For example, the contact management system is the system of record for basic contact information such as name, address, and phone number. The BillingCenter internal address book is the system of record for information related to the roles the contact plays on the account or policy.

This topic includes:

- “Searching for Contacts Within a Contact Management System” on page 422
- “New and Updated Contacts” on page 422
- “Detecting Duplicates in the Contact Management System” on page 424
- “Duplicate Contacts in BillingCenter” on page 427
- “Deleting, Removing, and Inactivating a Contact” on page 428

- “Customizing the Contact Management System Integration” on page 428

See also

- “Contact Integration” on page 395 in the *Integration Guide*
- “Integrating ContactManager with Guidewire Core Applications” on page 45 in the *Contact Management Guide*

Searching for Contacts Within a Contact Management System

In BillingCenter, you can search for contacts in the address book. If BillingCenter is not integrated with a contact management system, BillingCenter searches the internal address book. If BillingCenter is integrated with a contact management system, BillingCenter searches for contacts stored in the internal address book and the contact management system.

When you select **From Address Book** in BillingCenter, you can select contacts from the internal address book and from the contact management system.

If the contact is currently in the contact management system, then BillingCenter pulls the contact into its internal address book when you **Select it**.

In BillingCenter, you can search for contacts from a contact management system in the following places:

- **Search tab** → **Contacts** menu item.
- **Account Contacts** screen – You can choose to create a new contact from the address book.
- **Policy Contacts** screen – You can choose to create a new contact from the address book.

If BillingCenter is integrated with ContactManager, the ContactManager search is limited to a contact type of **Person** or **Company** with the **Client** tag. In the ContactManager object model, these are the **ABPerson** and **ABCompany** subtypes of **ABCContact**.

See also

- “**Contacts**” on page 273
- “**Searching for Contacts**” on page 83 in the *Contact Management Guide*

New and Updated Contacts

When BillingCenter is integrated with a contact management system, you can create and update contacts in either system. The integration pushes contact changes to the other system.

Pushing New and Updated Contacts

You can push new and updated contacts from BillingCenter to a contact management system. You can configure when to push new or updated contacts to a contact management system. You can also push updates to specific fields rather than updating the entire contact.

Going in the opposite direction, you can push new contacts and updates to an existing contact from a contact management system to the associated contact in BillingCenter. You can push updates to specific fields rather than updating the entire contact.

Pushing New and Updated Contact to ContactManager

In the default integration with ContactManager, you can make contact updates on both sides of the integration:

- You can make contact updates in BillingCenter and then push the updates to ContactManager.

- You can make contact updates in ContactManager or in other applications. The integration then pushes updates in other applications to ContactManager. ContactManager broadcasts those updates to the other applications. In the default integration with BillingCenter, ContactManager is the system of record for contacts. Therefore, BillingCenter takes all updates coming from ContactManager.

Although BillingCenter takes all updates from ContactManager, BillingCenter may take a different action on the contact. For example, ContactManager deletes a policy address either directly as a contact update or when two contacts are merged. ContactManager pushes that update to BillingCenter. However, BillingCenter does not delete that address because it is in use on a policy. BillingCenter removes the link that connects the contact with ContactManager by removing the AddressBookUID.

- BillingCenter does not delete a contact that is in use.

In BillingCenter, an update made to a policy contact might not be immediately pushed to the Contact entity. In BillingCenter, the Contact entity is central contact record. BillingCenter pushes the update to ContactManager only after updating the Contact entity. For example, BillingCenter does not push a new contact to ContactManager until that contact is associated with an account that has a bound policy. See “Adding a Contact from the Contact Management System” on page 423 for more information.

All updates are asynchronous. Therefore, there can be conflicts when ContactManager and BillingCenter update contact information at approximately the same time. Since ContactManager is the system of record for contact information, the ContactManager updates have precedence. If ContactManager cannot make a BillingCenter contact update, ContactManager notifies BillingCenter. BillingCenter then creates an activity for a user to reconcile the change to the contact. The activity text describes the updates that were not made.

See also

- “Linking and Synchronizing Contacts” on page 181 in the *Contact Management Guide*

Adding a Contact from the Contact Management System

When BillingCenter retrieves a contact from the contact management system, BillingCenter copies the contact to its internal address book. If BillingCenter is integrated with ContactManager, this contact has the same AddressBookUID as the ContactManager contact. If BillingCenter is integrated with another contact management system, you can configure BillingCenter to set the AddressBookUID to the unique identifier from the contact management system. When a contact has the same AddressBookUID in both systems, the two contacts are linked. The integration copies a change to contact data in either application to the other application.

For example, in BillingCenter you add a driver to a personal auto policy. On the Drivers screen, you choose **Add → From Address Book** and enter a last name. BillingCenter searches for matches in its internal address book and the contact management system. Select a contact. If the contact is only in the contact management system, then BillingCenter copies the contact to its internal address book.

The internal contact now links to a contact in the contact management system. The integration propagates a change to the contact in either the contact management system or BillingCenter to the other system.

Creating a New Contact in BillingCenter

The default integration does not immediately push all newly created contacts to the contact management system. When you create a new contact in BillingCenter, the integration pushes that contact to the contact management system after that contact is associated with an account with a bound policy. This process avoids cluttering the contact management system with prospective customers. The prospective customer remains in the BillingCenter internal address book and can be used again if the customer calls back.

You can also check for duplicates to make sure that the contact is not already in the contact management system.

In the base configuration, if BillingCenter finds duplicate contacts, you can select one. The selected contact replaces the new contact, and the integration links that contact to the contact management system regardless of the state of the policies on the account. Any contact information for the new contact is overwritten. Alternately, you may decide that this is not a duplicate and add the new contact.

For example, a prospective customer calls to obtain a personal auto quote. The customer service agent creates a new contact with a new account. Then the agent starts a personal auto submission on the account. The agent quotes the policy. The customer is not ready to buy the policy, and says she will call back later. Any newly created contacts associated with the account remain only in the BillingCenter internal address book. A week later, the customer calls back and says she wants to purchase the policy. The agent binds the policy, and the integration pushes the contacts associated with the account to the contact management system.

Information Required for Saving in ContactManager

In the default BillingCenter user interface, you must enter name and primary address when entering a contact. If you modify this behavior, be aware that ContactManager requires certain minimum information to create a contact.

ContactManager requires the following fields for a contact that is a person:

- First Name and Last Name
- A primary address with the following fields:
 - Address Line 1
 - City
 - State
 - ZIP Code
 - Address Type

ContactManager requires the following fields for a contact that is a company:

- Name of company
- Tax ID or primary address as described above

Information Required for Selecting a Contact Management System Contact in BillingCenter

In the base configuration, an external contact must have certain fields to be selectable in BillingCenter. To Select an external contact, BillingCenter requires the following contact information:

- First name and Last name or company Name
- Primary Address – You must specify Address Line 1, City, State, Postal Code, and Address Type.

If the contact does not have the required information, then BillingCenter displays the contact, but you cannot select it.

In the default integration with ContactManager, a contact must have the Client tag to be visible in BillingCenter. A contact in ContactManager that does not have the Client tag is not returned in search results and does not appear in BillingCenter.

Detecting Duplicates in the Contact Management System

When you add a contact in BillingCenter, BillingCenter checks for duplicates in ContactManager or the contact management system. The contact management system must support checking for duplicates.

Note: BillingCenter does not check for duplicates in its internal address book.

Detecting Duplicates When Integrated with ContactManager

When ContactManager checks for duplicate contacts, there are three types of matches:

- Exact match
- Potential match
- No match

This topic describes how ContactManager detects duplicates in the base configuration. You can customize this functionality. For example, you can change the fields that duplicate detection matches on, or change the matching logic.

See also

- “Understanding Find Duplicates Behavior” on page 185 in the *Contact Management Guide*

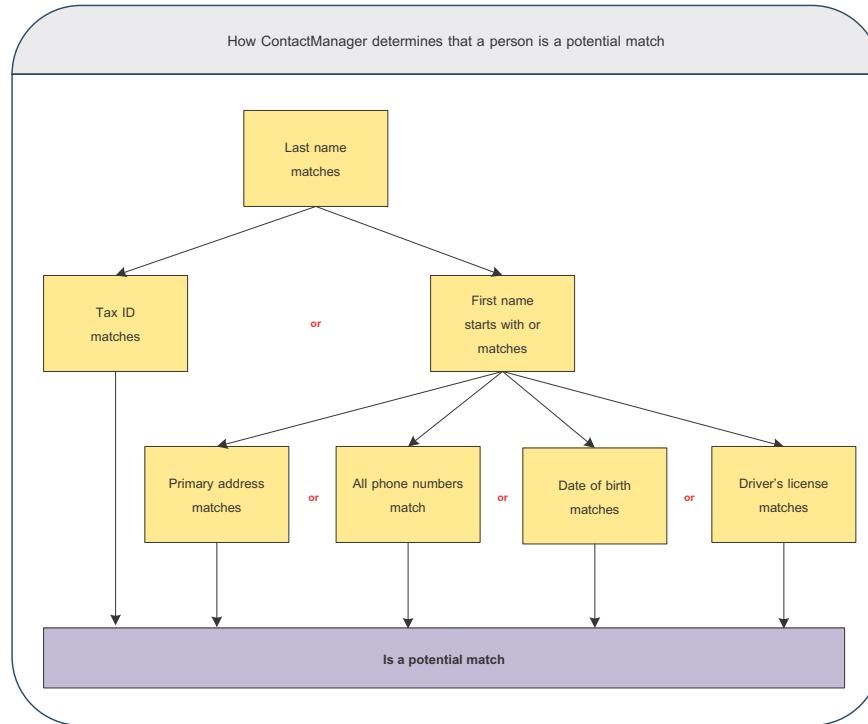
How ContactManager Determines Duplicates for a Person

When checking for a duplicate person in BillingCenter, you must enter the first name and at least one of the following:

- Primary address
- Phone number
- Date of birth
- Driver’s license
- Tax ID

In the base configuration, ContactManager first determines if the person is a potential match. If the person is a potential match, then ContactManager determines whether the person is an exact match.

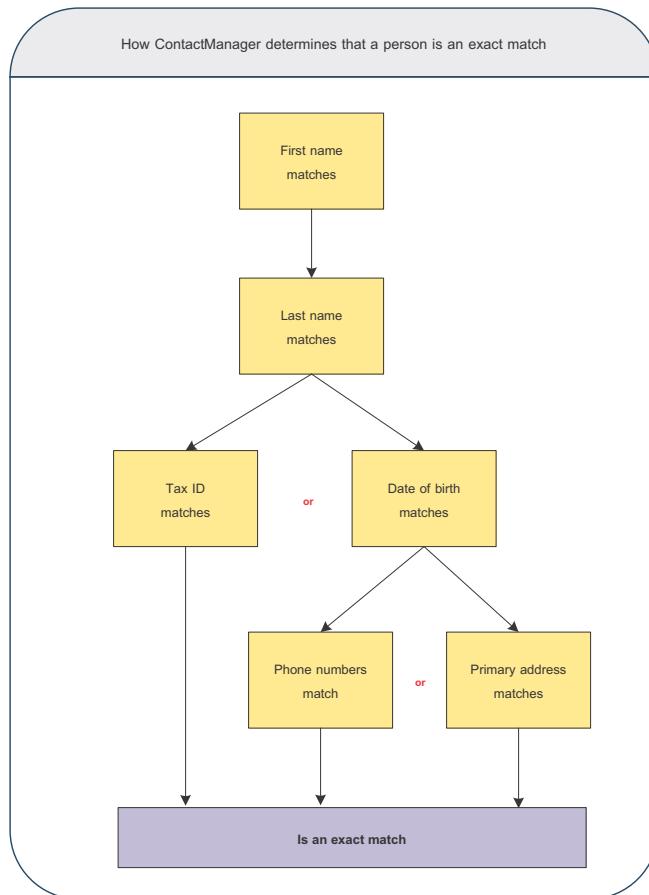
ContactManager first looks for a potential match. The following illustration shows the various paths through which ContactManager determines that a person is a potential match.



ContactManager uses the following criteria to determine if each of the following matches:

- Phone numbers – The phone numbers match if the numbers for home, work, cell, and fax match.
- Primary address – The primary address matches if Address line 1, state, city, and ZIP code match.
- License – The license matches if license number and license state match.

If a person is a potential match, then ContactManager determines if that person is also an exact match. The following illustration shows how ContactManager determines if a person is an exact match in the base configuration.



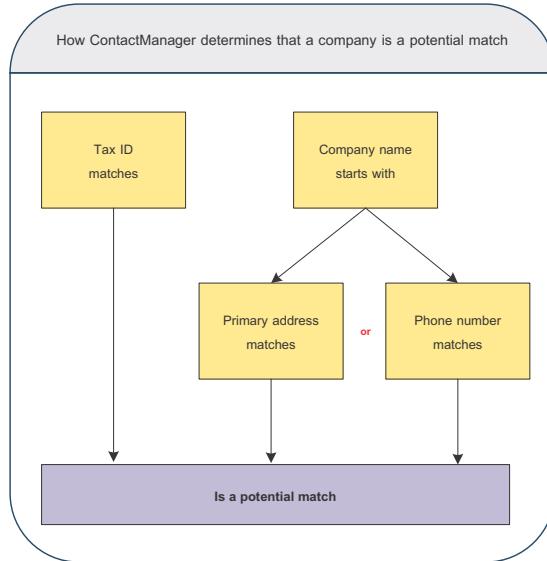
How ContactManager Determines Duplicates for a Company

When checking for a duplicate company in BillingCenter, you must enter the company name and at least one of the following: tax ID, primary address, or phone number.

ContactManager first determines if the company is a potential match. If the company is a potential match, then ContactManager determines whether the company is also an exact match.

ContactManager finds a potential match if it finds a potential match through any path. The following illustration shows how ContactManager determines that a company is a potential match.

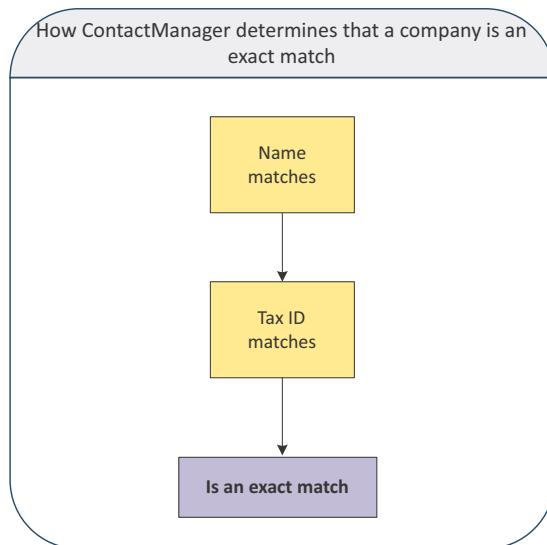
ContactManager finds a potential match if it finds a potential match through any path. The following illustration shows how ContactManager determines that a company is a potential match.



ContactManager uses the following criteria to determine if each of the following matches:

- Phone numbers – The phone numbers match if the numbers for home, work, and fax match.
- Primary address – The primary address matches if Address line 1, state, city, and ZIP code match.

If a company is a potential match, then ContactManager determines if that company is also an exact match. The following illustration shows how ContactManager determines if a company is an exact match in the base configuration.



Duplicate Contacts in BillingCenter

If the contact management system finds duplicate contacts, the contact management system sends a message to the other applications. BillingCenter merges the duplicates into a single contact.

This topic describes the default integration between BillingCenter and ContactManager or another contact management system.

When BillingCenter merges contacts, it identifies one of the contacts as the *surviving* contact and the other as the *merged* contact. BillingCenter might have both contacts, or only the surviving or merged contact in its internal database. After merging, BillingCenter deletes the merged contact, if any.

BillingCenter merges two contacts in the following ways:

- If contact information differs between duplicate contacts, the contact management system determines which is the surviving contact. The contact management system also controls which information, if any, to copy from the merged contact. The contact management system sends the new contact information to BillingCenter.
- If both contacts exist on the same account and have overlapping account contact roles, BillingCenter resolves information specific to the account contact role in favor of the surviving contact.
- If both contacts exist on the same policy, in the same role, BillingCenter resolves role specific information in favor of the surviving contact.
- The contact management system merges all addresses on the duplicate contacts. The surviving contact contains these addresses.
- Addresses must be merged to the surviving contact. This merging can be done through an API or in the BillingCenter user interface.

To merge contacts, use the ContactAPI methods `mergeContactAddressesByPublicId` and `mergeContactsByPublicId`. For more information, see “Contact Web Service APIs” on page 401 in the *Integration Guide*.

Deleting, Removing, and Inactivating a Contact

In ContactManager, you can delete a contact, but you cannot deactivate a contact.

If you attempt to delete a contact in ContactManager, ContactManager checks with the other applications to see if that contact can be deleted. ContactManager deletes the contact only if all applications report that the contact can be deleted.

In the base configuration, you can remove a contact from an account if no policy or work order uses the contact, currently or on a previously bound policy transaction. You can also deactivate a contact on an account, and the contact remains on previously bound policies or policy transactions. However, you cannot add an inactive contact to new, changed, reinstated, rewritten, issued, or renewed policies. You can remove a contact on a policy. Removing or inactivating a contact on an account or policy does not delete the contact from BillingCenter.

You can configure BillingCenter to delete a contact. If the ContactManager integration is enabled and you delete a contact in BillingCenter, the default integration does not send a delete message to ContactManager.

See also

- “Contact Integration” on page 395 in the *Integration Guide*
- “ABContactAPI Web Service” on page 233 in the *Contact Management Guide*

Customizing the Contact Management System Integration

This topic describes some of the ways that you can customize the integration with a contact management system. You can also do these customizations to the integration with ContactManager.

BillingCenter provides a set of integration points for integrating with a contact management system. These integration points support a wide variety of ways to integrate with contact management systems.

At a high level, BillingCenter provides the following integration points:

- Add contacts from contact management system. See “Contact Web Service APIs” on page 401 in the *Integration Guide*.
- Search for contacts stored in a contact management system. See “PolicyCenter Support for Contact Searches” on page 106 in the *Contact Management Guide*.
- Push new contacts from BillingCenter to a contact management system. See “ABContactAPI Web Service” on page 233 in the *Contact Management Guide*.
- Push or pull updates to contacts from a contact management system to BillingCenter. See “Linking and Synchronizing Contacts” on page 181 in the *Contact Management Guide*.
- Push or pull updates to contacts from BillingCenter to a contact management system. See “Linking and Synchronizing Contacts” on page 181 in the *Contact Management Guide*.
- View all places that use a particular contact.
- List policies, accounts, and work orders associated with a contact.
- Merge contacts in BillingCenter that the contact management system identifies as duplicates. See “Detecting and Merging Duplicate Contacts” on page 217 in the *Contact Management Guide*.

Entry Points into BillingCenter

Entry points enable an external application to open BillingCenter on a particular screen. An external application, such as a contact management system, can use the following entry points to BillingCenter:

- **Account** – Given an account number or account ID, open that account directly from an external system.
- **Policy** – Given a policy number, open that policy file from an external system.
- **Work order** – Given a work order number, open that work order directly from an external system.

For more information, see “Contact Integration” on page 395 in the *Integration Guide*.

Integrating with Multiple Contact Management Systems

You can integrate BillingCenter with multiple contact management systems. ContactManager can be one of these systems, as described at “Integrating ContactManager with BillingCenter in QuickStart” on page 60 in the *Contact Management Guide*.

You can use different systems to store different types of contact information. For example, you might use one system for customer information such as named insured and drivers. You might use another contact management system for additional interests, additional insureds, and labor contractors.

If you integrate with more than one contact management system, each contact must exist in one and only one external system. BillingCenter does not support the same contact existing in more than one contact management system. See “Configuring PolicyCenter External Contact Synchronization” on page 188 in the *Contact Management Guide*.

