



Guidewire BillingCenter®

Application Guide

RELEASE 9.0.2



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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 the overall BillingCenter upgrade process, and describes how to upgrade your BillingCenter database 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>Configuration Upgrade Guide</i>	Describes how to upgrade your BillingCenter configuration 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. The <i>Configuration Upgrade Guide</i> is published with the Upgrade Tools and is available at Guidewire Community.
<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>PCF Reference Guide</i>	Describes BillingCenter PCF widgets and attributes. The intended readers are configuration engineers.
<i>Data Dictionary</i>	Describes the BillingCenter data model, including configuration extensions. The dictionary can be generated at any time to reflect the current BillingCenter configuration. The intended readers are configuration engineers.
<i>Security Dictionary</i>	Describes all security permissions, roles, and the relationships among them. The dictionary can be generated at any time to reflect the current BillingCenter configuration. The intended readers are 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.

Document	Purpose
<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>Java API Reference</i>	Javadoc-style reference of BillingCenter Java plugin interfaces, entity fields, and other utility classes. The intended readers are system architects and integration programmers.
<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>Gosu API Reference</i>	Javadoc-style reference of BillingCenter Gosu classes and properties. The reference can be generated at any time to reflect the current BillingCenter configuration. The intended readers are configuration engineers, system architects, and integration programmers.
<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 Community.

Guidewire Customers

- <https://community.guidewire.com>

Guidewire Partners

- <https://partner.guidewire.com>

part I

BillingCenter Overview

chapter 1

Overview of Billing Administration

This topic provides an overview of policy and billing administration. It is intended for people who have limited experience with billing for property and casualty policies.

This topic includes:

- “Policy Administration” on page 23
- “Methods of Billing” on page 24
- “Sample Direct Bill Scenario” on page 24
- “Producers and Commissions” on page 27
- “Delinquency” on page 27

Policy Administration

For property and casualty insurance, a policy is a contract between the insurer and the insured in which the insurer promises to cover the insured for specific types of losses. Policies are typically managed by a policy administration system.

A policy transaction is a business transaction that either creates or modifies a policy. The following list provides examples of common types of policy transactions:

- A submission potentially creates a new policy. During a submission, if the insurer and the insured agree to the policy quote, the policy is issued.
- A renewal renews an existing policy for a new policy term when the current policy term comes to an end.
- A cancellation cancels an existing policy before its expiration date.

Every policy transaction can create the need to either bill or credit the insured. For example:

- When a submission results in an issued policy, the insured must be billed for the policy.
- When a renewal occurs, the insurer must be billed for the new term of the policy.
- When cancellation occurs, the insurer may need to credit money to the insured.

The total cost of a policy typically includes several types of charges. A charge is a line item for a policy that must be processed and/or tracked as a unit. The following list defines the most common types of charges:

- Premium – A charge for the coverages on the policy.
- Tax – A charge that must be collected from the insured and passed along to a government agency.
- Fee – A charge that covers administrative costs for managing the policy, such as a processing fee.

Methods of Billing

During the billing process, the insurer sends invoices to the person responsible for paying for the policy, which is typically the policyholder, and processes payments received from the payer.

Whenever the policy administration system completes a policy transaction with billing implications, the policy administration system sends an instruction to BillingCenter to bill or credit the insured.

There are several types of billing methods. The most common method is the direct bill method. When using direct bill, BillingCenter sends bills to the payer directly. Under other payment methods, a third party bills the payer, collects payments, and then sends payments to BillingCenter.

Sample Direct Bill Scenario

This section describes a simple billing scenario for a new personal auto policy issued to Ray Newton on February 1. The policy is effective from February 1 to July 31.

The policy includes the following charges:

- \$600 premium
- \$25 taxes
- \$10 processing fee

Ray Newton agrees to pay the taxes, the processing fee, and 30% of the premium in an initial down payment. He will pay the remaining premium in installments to be billed monthly on the first of each month. Each payment is due 14 days after the invoice date.

The billing process starts when the policy administration system sends the billing instruction for this policy to BillingCenter.

Planning the Invoices

In most cases, the insured is not expected to pay the total amount for the policy in one invoice. Instead, multiple invoices are planned and the amount due is split across these invoices.

The Ray Newton example involves a policy which is billed with a down payment and three monthly installments. Billing occurs monthly on the 1st. Payment is due 14 days later, or the 15th of each month. The following table shows the invoices. At this point, every invoice has a status of planned. No invoice has been billed yet, and no invoice is due.

Invoice date	Due date	Invoice items	Total	Status	Amount due
February 1	February 15			Planned	
March 1	March 15			Planned	
April 1	April 15			Planned	
May 1	May 15			Planned	

Premium charges are often divided into a down payment and multiple installments. For the Ray Newton example, 30% of the premium charge is required as a down payment with the remainder in monthly installments. Thus, the \$600 premium charge is converted into a \$180 down payment and three installments of \$140 each.

Tax and fee charges are often placed on the first planned invoice.

The following table shows the amounts of the planned invoices for the Ray Newton policy.

Invoice date	Due date	Invoice items	Total	Status	Amount due
February 1	February 15	Premium: \$180 Tax: \$25 Fee: \$10	\$215	Planned	\$215
March 1	March 15	Premium: \$140	\$140	Planned	\$140
April 1	April 15	Premium: \$140	\$140	Planned	\$140
May 1	May 15	Premium: \$140	\$140	Planned	\$140

Sending Out Invoices

Each day, BillingCenter sends out invoices whose invoice date matches the current date. Once an invoice has been sent, it is no longer considered planned. It has been billed.

The following table shows the status of the Ray Newton invoices as of February 1. Note that the first invoice now has a status of billed.

Invoice date	Due date	Invoice items	Total	Status	Amount due
February 1	February 15	Premium: \$180 Tax: \$25 Fee: \$10	\$215	Billed	\$215
March 1	March 15	Premium: \$140	\$140	Planned	\$140
April 1	April 15	Premium: \$140	\$140	Planned	\$140
May 1	May 15	Premium: \$140	\$140	Planned	\$140

Each day, BillingCenter also checks for invoices whose due date equals the current date. For these invoices, the status of the invoice is now due.

The following table shows the status of the Ray Newton invoices as of February 15. Note that the first invoice has a status of Due.

Invoice date	Due date	Invoice items	Total	Status	Amount due
February 1	February 15	Premium: \$180 Tax: \$25 Fee: \$10	\$215	Due	\$215
March 1	March 15	Premium: \$140	\$140	Planned	\$140
April 1	April 15	Premium: \$140	\$140	Planned	\$140
May 1	May 15	Premium: \$140	\$140	Planned	\$140

Processing Payments

When payment is received, the money is applied to the amount due.

The following table shows the status of the Ray Newton invoices as of February 20, when BillingCenter receives a \$215 payment for the Ray Newton policy. Note that the Amount Due for the first invoice is now zero.

Invoice date	Due date	Invoice items	Total	Status	Amount due
February 1	February 15	Premium: \$180 Tax: \$25 Fee: \$10	\$215	Due	\$0
March 1	March 15	Premium: \$140	\$140	Planned	\$140
April 1	April 15	Premium: \$140	\$140	Planned	\$140
May 1	May 15	Premium: \$140	\$140	Planned	\$140

This cycle is repeated for the remaining invoices.

The following table shows the status of the Ray Newton invoices as of April 1. The first two invoices are due and have been paid in full. The third invoice is billed, but BillingCenter has not received payment yet. The fourth invoice is still planned.

Invoice date	Due date	Invoice items	Total	Status	Amount due
February 1	February 15	Premium: \$180 Tax: \$25 Fee: \$10	\$215	Due	\$0
March 1	March 15	Premium: \$140	\$140	Due	\$0
April 1	April 15	Premium: \$140	\$140	Billed	\$140
May 1	May 15	Premium: \$140	\$140	Planned	\$140

The Conclusion of the Process

The billing process comes to an end when BillingCenter receives the final payment for the final invoice.

The following table shows the status of the Ray Newton invoices as of May 20. All invoices have been paid.

Invoice date	Due date	Invoice items	Total	Status	Amount due
February 1	February 15	Premium: \$180 Tax: \$25 Fee: \$10	\$215	Due	\$0
March 1	March 15	Premium: \$140	\$140	Due	\$0
April 1	April 15	Premium: \$140	\$140	Due	\$0
May 1	May 15	Premium: \$140	\$140	Due	\$0

If the policy is renewed, the policy administration system sends a new notification for billing and the entire process is repeated.

Producers and Commissions

In some cases, the underwriting of a policy involves an optional third party known as a producer. A producer is an intermediary who helps potential policyholders find insurers that will underwrite policies for them. The producer also helps insurers find potential policyholders that are good risks and that are interested in the types of policies the insurer wants to underwrite. A producer is paid a commission, or a percentage of the policy premium, for the policies issued as a result of their effort.

Delinquency

In the Ray Newton scenario described in the previous section, the policyholder paid every invoice on time and the payment matched the invoice amount exactly. In reality, issues occur during the billing process. For example, policyholders do not always pay invoices on time, and the payment amount does not always match the invoice amount.

If an invoice is overdue and payment has not been received, BillingCenter may start a delinquency process. During this process, BillingCenter may send notification to the payer that payment is overdue and/or that the policy is pending cancellation.

If the overdue amount is paid, the delinquency process is typically cancelled.

If the overdue amount is not paid within a specified amount of time, BillingCenter sends a notification to the policy administration system telling it to cancel the policy. The policy administration system executes the cancellation process and sends a billing instruction to BillingCenter identifying the amount that the insured owes. The outstanding invoices are adjusted to reflect the final amount due for the policy. If the remaining amount is not collected, BillingCenter has two choices. It can forward the bill to a collection agency (if the amount is sufficiently large) or write off the balance (if the amount is sufficiently small).

chapter 2

BillingCenter Functionality

This topic includes:

- “A Web-Based Billing System” on page 29

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.
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.

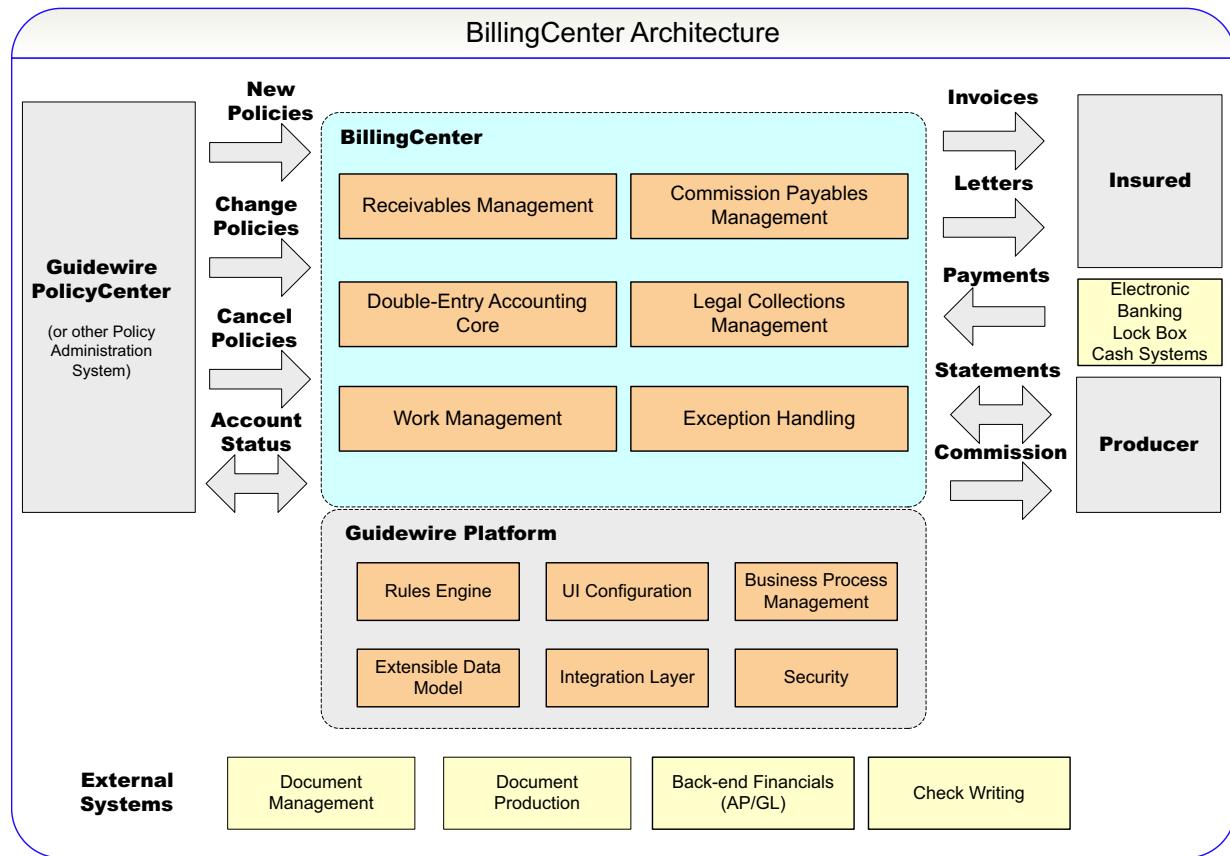
BillingCenter Architecture and the Billing Lifecycle

This topic includes:

- “Architecture Overview” on page 32
- “Billing Lifecycle” on page 33

Architecture Overview

The following graphic presents an overview of the BillingCenter architecture.



Guidewire Platform

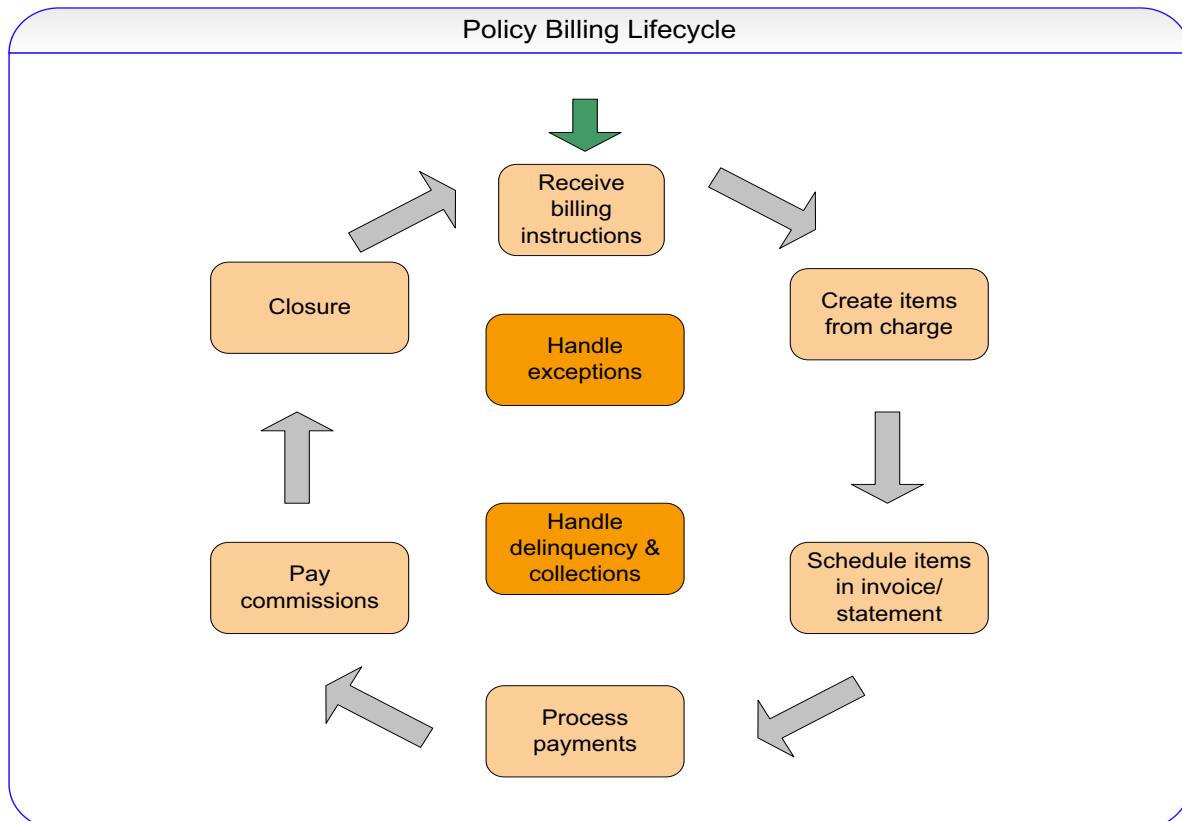
BillingCenter is built on top of the Guidewire platform, which provides a consistent mechanism for configuring functionality, managing security, and administering the system. The following table describes the key components of the Guidewire platform.

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 insurer 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 insurers. 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 charge invoicing process 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	<p>BillingCenter places items on invoices or statements, depending on the policy's billing method:</p> <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.
Process payments	<p>BillingCenter automatically updates the status of each invoice or statement when the appropriate batch process runs after the bill or due date.</p> <p>BillingCenter receives and processes the payments:</p> <ul style="list-style-type: none"> • In direct bill, the insured pays the insurer 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 insurer. Agency bill payments usually cannot be processed automatically. This is because each net payment contains money for the policies of many accounts. <p>Payment processing includes recording the transactions that contain the details of the movement of money in BillingCenter.</p>
Pay commissions	<p>A producer earns commission, usually as a percentage of the policy premium. The way commission is paid depends on the policy's billing method:</p> <ul style="list-style-type: none"> • In direct bill, the insurer pays commission to the producer. • In agency bill, the producer retains the commission amount and makes a net payment to the insurer (minus the commission).
Closure	<p>BillingCenter will close a policy when all the following conditions are met:</p> <ul style="list-style-type: none"> • Policy expiration date is in the past • Remaining balance is zero • All pro rata charges are completely earned
Handle exceptions	<p>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.</p> <p>The way exceptions are handled in BillingCenter depends on the policy's billing method:</p> <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	<p>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:</p> <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 insurer 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 insurer 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 insurer. The insurer 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 insurer 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.

chapter 4

Accounting Structure

This topic explains the basic accounting structure BillingCenter uses to handle financial information.

This topic includes:

- “Internal Accounting System” on page 37
- “Working with T-accounts” on page 38

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
- Journal
- Double Entry Accounting

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 the abilities to **reverse and audit transactions**. 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 insurer. One example is the Cash T-account, which represents money held by the insurer. 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* – An insurer 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 an insurer, such as commission that the insurer 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 insurer 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 or refunding money

See “Working with Transactions” on page 415 for more information.

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 43
- “Setting Preferences” on page 44
- “Selecting International Settings in BillingCenter” on page 44
- “Common Areas in the BillingCenter User Interface” on page 46
- “BillingCenter Tabs” on page 47
- “Auto Complete” on page 49
- “Logging out of BillingCenter” on page 49

Logging in to BillingCenter

To log in to BillingCenter, you need:

- A web browser – See the Guidewire Platform Support Matrix for a complete list of the web browsers and versions that Guidewire supports. The Guidewire Platform Support Matrix is available from the Guidewire Resource Portal at <https://guidewire.custhelp.com/app/resources/products/platform>.
- The URL (web address) for connecting to BillingCenter – 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.

BillingCenter generates pages dynamically. This behavior results in the following limitations.

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

See also

- “Connecting to BillingCenter with a Web Client” on page 93 in the *Installation Guide*

Setting Preferences

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

1. To view the **Preferences** worksheet, click the **Desktop** tab. In the Sidebar, select the **Actions** menu and click **Preferences**. The **Preferences** worksheet appears in the Workspace below the Screen Area.
2. 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:

- | | |
|--|---|
| <ul style="list-style-type: none">• Australia (English)• Canada (English)• Canada (French)• France (French) | <ul style="list-style-type: none">• Germany (German)• Great Britain (English)• Japan (Japanese)• United States (English) |
|--|---|

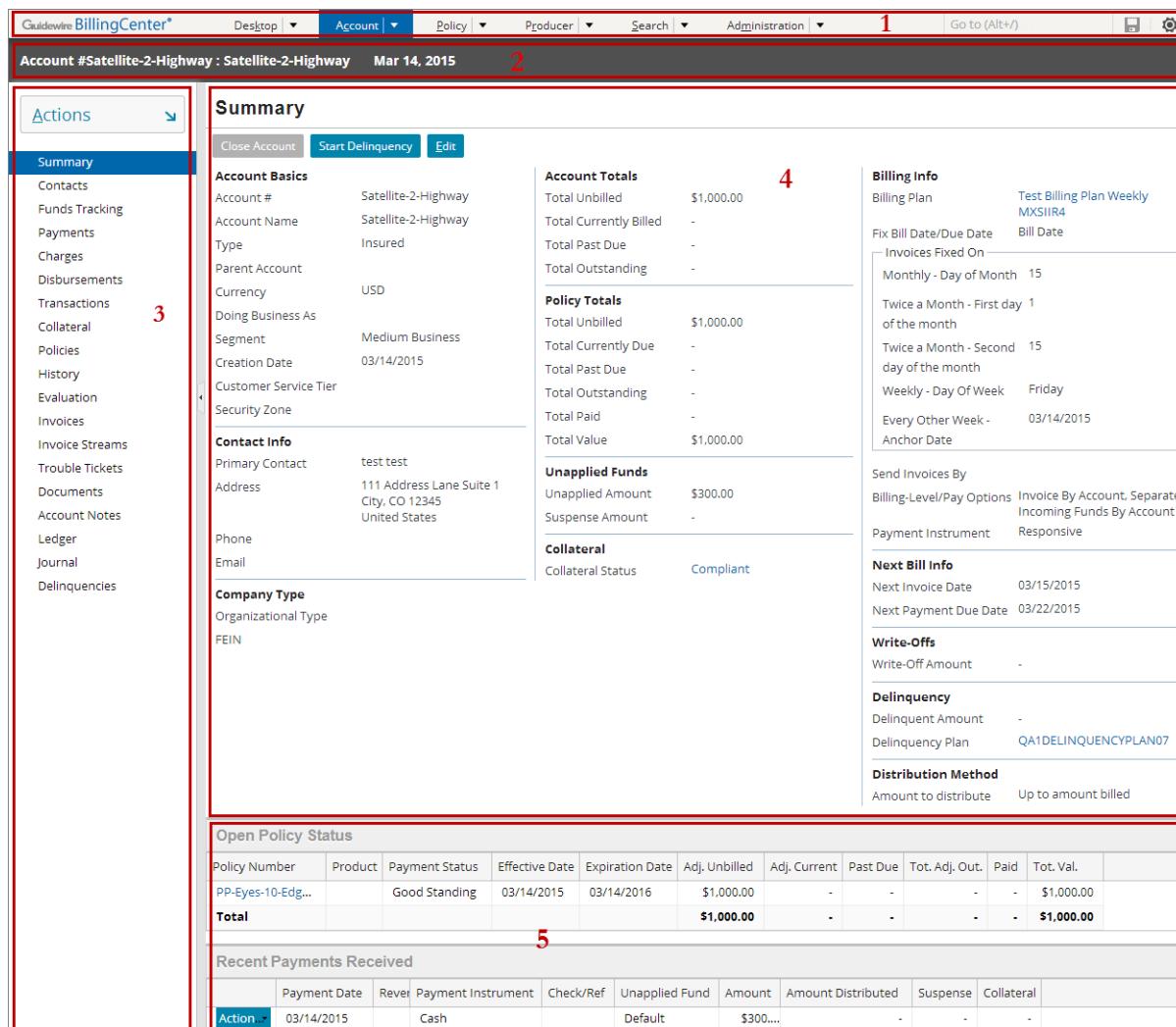
Unless you select a regional format from the **Regional Formats** menu, BillingCenter uses the regional formats of the default region. The configuration parameter **DefaultApplicationLocale** specifies the default region. In the base configuration, the default region is **en_US**, United States (English). 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 87 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 application interface with several numbered callouts:

- 1**: The Tab bar at the top, which includes tabs for Desktop, Account, Policy, Producer, Search, Administration, and a QuickJump text box.
- 2**: The Info bar at the top, displaying the account number (Account #Satellite-2-Highway) and date (Mar 14, 2015).
- 3**: The Sidebar on the left, which contains a summary of links and the Actions menu.
- 4**: The main content area, specifically the Summary screen, which displays various account details like Basics, Totals, and Policies.
- 5**: A section below the Summary screen, likely a grid or table, which appears to be the Open Policy Status section.

The BillingCenter user interface contains the following areas:

Area	Description
1	<p>The Tab bar contains:</p> <ul style="list-style-type: none"> Tabs The QuickJump text box performs fast navigation to any screen in the application. For more information, see “QuickJump” on page 55. Unsaved Work menu. For more information, see “Unsaved Work Menu” on page 60. 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. 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 list with shortcuts to screens on that tab. To see a list, click the down arrow next to the tab name and select an item from the drop-down list. For example, click the down arrow on the **Administration** tab and then click **Business Settings** → **Activity Patterns** to open the **Activity Patterns** screen.

The following sections describe the information accessible through each tab.

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 list, 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

The **Account** tab presents information concerning the accounts in BillingCenter.

Clicking the Account tab opens the **Accounts** search screen. In a development environment, you can also create a new account manually from the **Actions** menu. In a production environment, the ability to create accounts manually is sometimes disabled or restricted to only a certain set of users.

Clicking the arrow for the **Account** tab shows a drop-down list. It contains a widget that lets you search for accounts by account number as well as a list of any recently viewed accounts.

See also

- “Account Summary Information” on page 66

Policy Tab

The **Policy** tab presents information concerning the policies and policy periods in BillingCenter.

See also

- “Policies and Policy Periods” on page 73

Producer Tab

The **Producer** tab presents information concerning the producers in BillingCenter.

See also

- “BillingCenter and Producers” on page 85

Search Tab

The **Search** tab provides the ability to search for an account, policy, producer, and various other entities in BillingCenter.

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.”

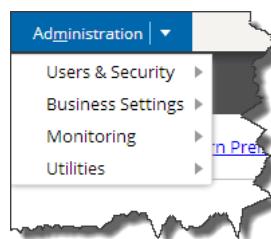
You must enter an exact match in any field with a search icon shown to the right of the text input box. You can click the search icon to find the exact string if needed. For example, to search for an account by policy number, you must enter the exact policy number. To find the exact policy number, click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

See also

- “BillingCenter Search Functionality” on page 327 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.

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  **Unsaved Work** icon appears in green. The **Unsaved Work** icon is located to the left of the  **Options** icon. Under normal conditions, the **Unsaved Work** icon appears gray. Click the icon to review any unsaved work.

See also

- “[Unsaved Work Menu](#)” on page 60

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 51
- “Changing the Sidebar Width” on page 53
- “Managing Layout Preferences” on page 54

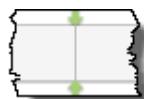
Adjusting List Views

You can change the default appearance of individual list views.

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.

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 54

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.

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 54

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.

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 list, 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 54

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**.



The screenshot shows a list view with four columns: Name, Type, and City. The rows are grouped by Type. There are two groups: 'Company' and 'Person'. The 'Company' group contains three rows: 'Western Farmer's Supply' (Type: Company, City: Rivers), 'Wright Construction' (Type: Company, City: Thou.), and 'Whole Foods' (Type: Company, City: La Ca.). The 'Person' group contains three rows: 'William Weeks' (Type: Person, City: La Ca.), 'William William' (Type: Person, City: La Ca.), and 'Charles Washington' (Type: Person, City: La Ca.). Each group has a collapse/expand icon at the top.

	Name	Type	City
– Company			
	Western Farmer's Supply	Company	Rivers
	Wright Construction	Company	Thou.
	Whole Foods	Company	La Ca.
– Person			
	William Weeks	Person	La Ca.
	William William	Person	La Ca.
	Charles Washington	Person	La Ca.

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.

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 54

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

Use the **QuickJump** text box in the BillingCenter user interface to perform fast navigation to a screen in the application.

This topic includes:

- “QuickJump Overview” on page 55
- “Using QuickJump” on page 55
- “Configuring QuickJump” on page 56
- “QuickJump Reference” on page 57

QuickJump Overview

The **QuickJump** box provides a fast way to navigate to a particular screen in the application.

The main screens in BillingCenter include the **Account Summary**, **Policy Summary**, and **Producer Summary** screens.

The **QuickJump** box can also retrieve and show information about a particular entity. BillingCenter entities include the **Account**, **Policy**, and **Producer** entities.

Using QuickJump

The **QuickJump** box appears at the upper right corner of most BillingCenter screens. The box is not available in pop-ups.



To use the box, position the cursor in it or use the shortcut key **Alt + /**, and then enter a QuickJump command. To view a list of available commands, press the **Down Arrow** key.

For example, to retrieve an account, type account followed by the account number, as in account C000143542. BillingCenter jumps to the **Account Summary** screen showing the specified account information. To see a specific policy, type policy and the policy number, as in Policy 25-123436. The **Policy Summary** screen is shown containing the policy information.

The **QuickJump** box provides automatic command and parameter completion. Type the first few letters of a command, and the **QuickJump** box automatically provides a list of the possible commands. For example, type the letter A to list all commands or parameters that begin with the letter A.

Chaining QuickJump Destinations Together

It is possible to chain multiple QuickJump destinations together to jump to a specific screen.

For example, while viewing account information in the **Account Summary** screen, suppose you want to create a trouble ticket for the account. In the **QuickJump** box, type Account C000212105 followed by a space and the letter N. The QuickJump automatic completion function lists the commands that begin with the letter N within the context of the account. Selecting Account C000021215 NewTroubleTicketOnAccount starts the **New Trouble Ticket** wizard to create a trouble ticket for the specified account.

QuickJump Behavior in Wizards

Wizards are typically used to advance sequentially through a series of steps. QuickJump can be used to skip steps and jump to a screen listed in the Sidebar.

QuickJump actions available in a wizard are active only when operating in the wizard. For example, it is not possible to jump from an account screen to a specific wizard screen.

When operating in a wizard, if you want to jump to another part of BillingCenter, save your work before jumping. After the jump, if you did not save your work, your wizard work will be lost.

Configuring QuickJump

The **QuickJump** box can be configured in various way.

- You can add new commands that jump to newly-created screens.
- You can change existing QuickJump commands. For example, you can provide commands that users were accustomed to using on another system.
- You can remove the **QuickJump** box from the user interface.

You can use the XML Editor in Studio to configure the **QuickJump** box. In the Project window, navigate to **configuration** → **config** → **Page Configuration** and open **quickjump-config.xml** to edit QuickJump resources. Labels for a particular language are defined in the **display_languageCode.properties** file.

See also

- “Implementing QuickJump Commands” on page 111 in the *Configuration Guide*
- “Localizing Display Keys” on page 49 in the *Globalization Guide*

QuickJump Reference

The following table lists the supported QuickJump commands.

Screen	Command
Account Summary	Account <Account Number>
Accounts	AccountSearch
Search Activities	ActivitySearch
Search Contacts	ContactSearch
Search Invoices	InvoiceSearch
My Activities	MyActivities
Approval Statuses	MyApprovals
My Delinquencies	MyDelinquencies
My Trouble Tickets	MyTroubleTickets
New Activity	NewActivity
Create Disbursement Wizard	NewDisbursement
Search Payments	PaymentSearch
Policy Summary	Policy <Policy Number>
Policies	PolicySearch
Producer Summary	Producer <Producer Name>
Producers	ProducerSearch
Search Trouble Ticket	TroubleTicketSearch

Saving Your Work

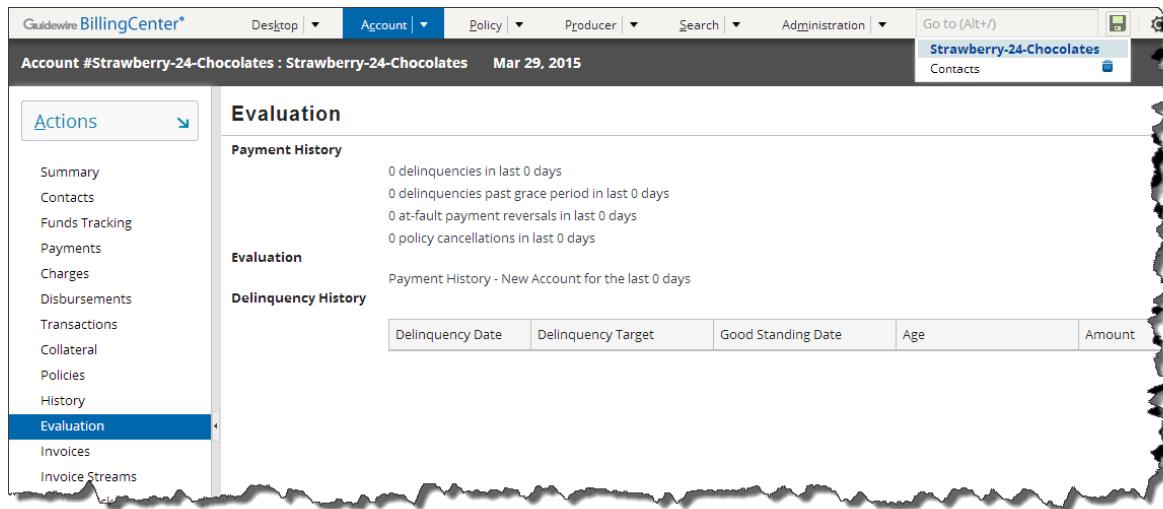
BillingCenter automatically saves your work to the database in wizards and through the **Unsaved Work** menu in the user interface.

This topic includes:

- “[Unsaved Work Menu](#)” on page 60
- “[Saving Your Work in BillingCenter Wizards](#)” on page 60

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.

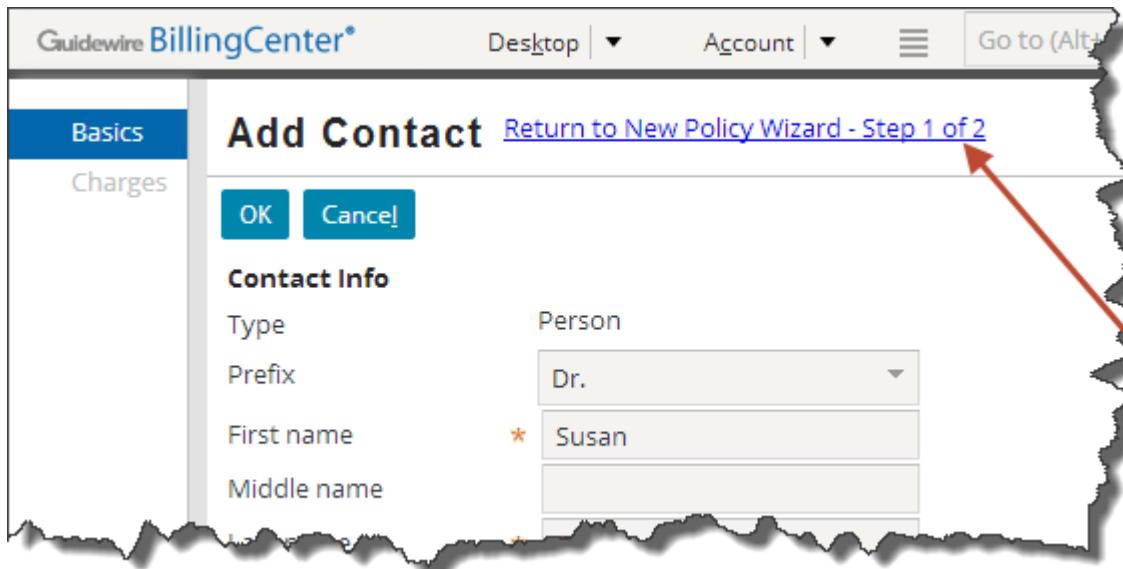
Saving Your Work in BillingCenter Wizards

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

chapter 9

Accounts

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

This topic includes:

- “Accounts Overview” on page 65
- “Creating a New Account” on page 66
- “Account Summary Information” on page 66
- “Searching for an Existing Account” on page 69
- “Specifying a Parent Account” on page 69
- “Editing Billing Dates and Due Dates” on page 70
- “Changing the Delinquency Plan” on page 71
- “Closing an Account” on page 71

Accounts Overview

An account is a container that groups one or more policies. BillingCenter tracks the flow of funds for each account.

A typical first step is to set 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** – The individual or entity covered by any associated charges
- **Payer** – The account is the payer of any associated charges
- **List Bill** – The account is the payer of charges for multiple different insureds

- **Collection Agency** – 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.

Creating a New Account

Typically, BillingCenter receives account information from an external policy administration system or PAS. When a new account needs to be created in BillingCenter, the PAS sends default values for certain fields to BillingCenter, and BillingCenter creates the new account, accordingly. After account creation, BillingCenter is the system of record for the account fields.

An account can also be created manually using the BillingCenter user interface.

1. Choose the **Account** tab.
2. On the **Actions** menu, select **New Account** to show the **New Account** screen.
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. Click **Create Account** to create the account.

Account Summary Information

General account information is shown on two screens: the account **Summary** screen and the account **Details** screen.

The account **Summary** screen is designed to optimize the productivity of customer service representatives (CSRs). In the course of providing service to policyholders, CSRs perform a series of common operations. For example, they locate the relevant account, verify the account is in good standing, and answer basic financial questions about the account. They can also navigate to other locations to access more detailed information about a specific area. The account **Summary** screen is designed to make it easy for CSRs to perform these common operations. Essential information is presented in an uncluttered and easy-to-interpret format. Navigation markers are clearly indicated to view additional information.

The account **Summary** screen provides summary information about the account.

Account Summary

		Close Account	Start Delinquency					
Overview				Notes				
Name	Big Lake Bakery	Currency	USD	Most recent note:				
Primary Contact	Big Lake Bakery	Send Invoices By	Email	Date	12/15/2015			
Address	11000 Sycamore Blvd., Suite 210, Arlington, VA 22204	Payment Method	Responsive	Topic	General			
Phone/Email	571-443-5600 / biglakebakery@biglakebakeryva.com			Subject	Vacation Contact			
Account Since	4 Months (Dec 15, 2015)			Text	Our normal billing contact, June Nakamura, is on vacation for two months in December and January. During this time, if you need to talk to someone, contact David Templeton. His contact information is in the Contact list.			
Delinquencies	1 in 12 months			Active Policies	1			
Financials								
Current Payment Expected	\$1,071.82					Default Unapplied	-	
Past Due	\$580.91					Suspense Item Amount	-	
Late Fees	-					Payoff Amount	\$4,017.27	
Next Invoice Due (on Tuesday, April 26, 2016)	\$490.91					Planned Invoices	6	
Last Payment Received (on Friday, April 15, 2016)	\$2,307.73							
Policy Periods								
Open/Canceled/Reinstated								
		Policy #	Named Insured	Effective Date	Expiration Date	Cancellation Date	Reinstatement Date	Total Value
			BOP-700334-1	11/01/2015	11/01/2016			\$6,325.00

Account Information

Description

Overview

General account information.

- Account **Name** and **Primary Contact**.
- Account's primary **Address**, **Phone**, and **Email**.
- Length of time the account has existed (**Account Since**).
- Number of **Delinquencies** in the past 12 months.
- Account's **Currency** (shown only if the instance of BillingCenter has multicurrency enabled).
- The way invoices are sent to the account (**Send Invoices By**).
- Account's **Payment Method**.

Notes

The most recent note and quick access to all notes for this account.

- Controls to create a new note (the + icon) and edit the most recent note (the pencil icon).
- A link that identifies the total number of notes for this account. Click the link to display all the account's notes in a popup.
- The date, topic, subject, and text of the most recent note.
- The number of active policies.

Account Information	Description
Financials	<p>A summary of the account's financial activity.</p> <ul style="list-style-type: none"> • The amount of the Current Payment Expected. • The amount that is Past Due. • The amount of any Late Fees. If there are late fees, there is an additional control that links to the Account Late Fee Reversal wizard. • The amount due on the Next Invoice Due, and the date on which it is due. • The date and amount of the Last Payment Received. If no payments have been received, then the label reads No Payment Received. • A pie chart identifying the amount of money that is unbilled, paid, written off, billed, and past due. • The amount of money in unapplied T-accounts. <ul style="list-style-type: none"> • For an account that does not use policy-level billing with cash management, the Default Unapplied amount is listed. • For an account that does use policy-level billing with cash management, the Total Unapplied amount is listed. The value is a link that navigates to the Unapplied Funds Detail screen. • The Suspense Item Amount, if any. • The Payoff Amount, which is the total amount across all policies that has not yet been paid (excluding any late fees). • The number of Planned Invoices.
Policy Periods	<p>Information about all open, canceled, and/or reinstated policies.</p> <ul style="list-style-type: none"> • An icon identifying the policy's line of business (LOB). This icon is always shown. • In the base configuration, if the policy has no LOB code, then a default shield icon is shown. • An icon that identifies the policy as past due. This icon is shown only when the policy is past due. <ul style="list-style-type: none"> • In the base configuration, this icon is a red alarm clock. • An icon identifying whether the policy is active. This icon is always shown. <ul style="list-style-type: none"> • In the base configuration, a blue circle denotes an active policy and a gray circle with a slash indicates an inactive policy. • The Policy Number. • The Named Insured. • The Effective Date, Expiration Date, Cancelation Date, and Reinstatement Date. • The Total Value of the policy, which is the total amount of all charges.

The screen also includes an alert to warn end users that the account has a policy that is about to go into delinquency. The alert is visible when there is a balance due today that has not yet been received and the account does not have any other active delinquencies.

The account **Details** screen provides detailed information about the account.

Account Information	Description
Account Basics	<p>General account information:</p> <ul style="list-style-type: none"> • Account Name and Number. • Account Type describes the purpose of the account. Base configuration 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. • The account's Service Tier. Base configuration choices include Gold, Platinum, and Silver. • Any Security Zone assigned to the account.
Contact Info	Account's Primary Contact information.
Company Type	Type of business and tax ID information.
Account Totals	<p>An ongoing tally of the account total, including: Total Unbilled, Total Currently Billed, Total Past Due, and Total 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.</p>

Account Information	Description
Policy Totals	An ongoing tally of the policy totals for the policies associated with the account, including: Total Unbilled , Total Currently Billed , Total Past Due , Total Outstanding , and Total Paid amounts. This section 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	If collateral is required for either the account or any of the account's associated policies, tracks the status of the collateral requirements.
Payment Allocation	The Payment Allocation Plan , which specifies how to allocate a payment among charges.
Billing Info	The billing information depends on the account's billing level.
	For policy-level billing, this section includes:
	<ul style="list-style-type: none"> • The Billing Plan • Settings for account-level charges (Fix Bill Date/Due Date and Monthly Invoicing day) • How to Send Invoices By • The Payment Instrument
	For account-level billing, this section includes:
	<ul style="list-style-type: none"> • The Billing Plan • The Fix Bill Date/Due Date • The Invoices Fixed On fields that determine the dates to use for invoices (for Monthly invoicing, Twice per month invoicing, Weekly invoicing, and Every other week invoicing) • How to Send Invoices By • The Payment Instrument
Billing Level	Identifies whether the account is Invoiced By account or by policy/group. For policy-level billing, it also identifies if BillingCenter will Separate Incoming Funds By account or by policy/group
Next Bill Info	This includes the Next Invoice Date and Next Payment Due Date .
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	Delinquency information, including the Delinquency Plan , any Delinquent Amount , and the name of the Collection Agency , in any.

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.

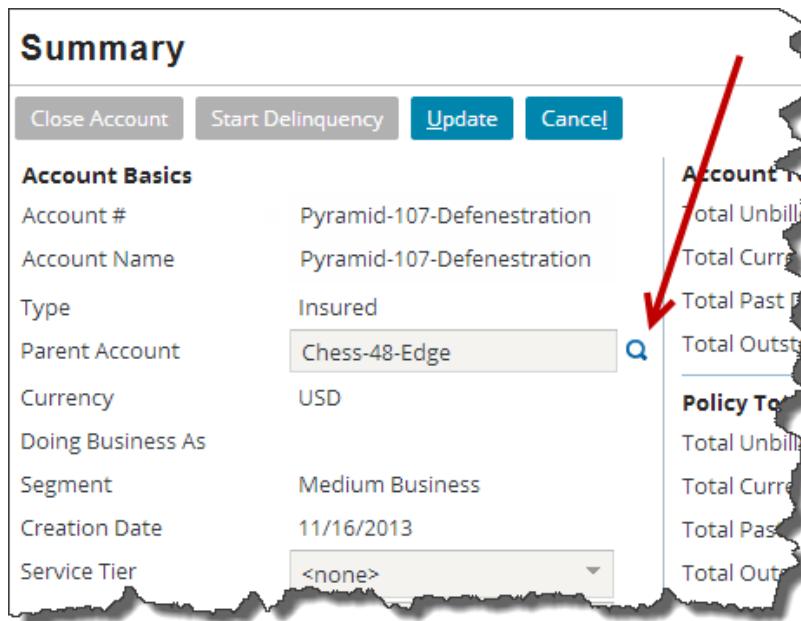
If an account is assigned to a security zone, then it appears in the search results only if the user has access to that security zone.

Specifying a Parent Account

For business reasons, a hierachal 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 hierachal 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. Each account includes a **Parent Account** field which optionally designates the account's parent.

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



The screenshot shows the 'Summary' tab of the Account Details screen. At the top, there are buttons for 'Close Account', 'Start Delinquency', 'Update', and 'Cancel'. Below that is a section titled 'Account Basics' with the following fields:

Account #	Pyramid-107-Defenestration
Account Name	Pyramid-107-Defenestration
Type	Insured
Parent Account	Chess-48-Edge 
Currency	USD
Doing Business As	
Segment	Medium Business
Creation Date	11/16/2013
Service Tier	<none>

A red arrow points from the text 'Use the picker to select an account as the parent account.' to the search icon next to the 'Parent Account' field.

On the right side of the screen, there are two vertical columns of summary data:

- Account Totals:** Total Unbilled, Total Current, Total Past Due, Total Outstanding.
- Policy Totals:** Total Unbilled, Total Current, Total Past Due, Total Outstanding.

Editing Billing Dates and Due Dates

For accounts that use account-level billing, the charge invoicing process uses the **Invoices Fixed On** fields to determine bill dates for 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.

1. On the account **Details** screen, click **Edit**.
2. Edit the **Billing Info** fields.
3. To verify the results of the changes, go to the account **Invoices** screen.

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.

1. On the account Details screen, click **Edit**.
2. Select a delinquency plan from the drop down list in the **Delinquency** section.

Closing an Account

An account can be closed. However, BillingCenter does not differentiate between open and closed accounts. No restrictions are applied to a closed account. Configuration code can be written to handle closed accounts in a desired manner.

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

BillingCenter performs the following tasks.

- Checks whether the account can be closed. An account can be closed if the following conditions are met:
 - The account is not already closed.
 - All of the policy periods on the account are closed.
 - The remaining balance on the account is zero.
- Sets the **CloseDate** of the **Account** entity to the current system time. The close date of a closed account is shown on the account **Details** screen.

To reopen a closed account, clear the **Account** entity's **CloseDate** element in configuration code.

chapter 10

Policies

This topic discusses creating and maintaining policies. Policies are typically created after receiving instructions from an external Policy Administration System (PAS). Alternatively, a billing clerk can manually create a policy through the BillingCenter user interface.

This topic includes:

- “Policies and Policy Periods” on page 73
- “Adding a Policy to an Account” on page 74
- “Policy Summary Information” on page 74
- “Searching for an Existing Policy” on page 77
- “Editing Existing Policy Information” on page 77
- “Adding a Policy Change” on page 78
- “Transferring a Policy Between Accounts” on page 78
- “Transferring a Policy Between Producers” on page 79
- “Closing a Policy Period” on page 80
- “Equity” on page 80

Policies and Policy Periods

A policy is a contract between the insurer and the insured. It is typically 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.

Adding a Policy 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, an insurer that does not have a policy administration system may use BillingCenter as the system of record for policies.

1. From the **Account** tab with the relevant account active, select **Actions** → **Add Policy** to view the **New Policy Wizard**.
2. Complete the policy set up information in **Step 1 of 2**.
3. 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.
4. Click the **Finish** button to complete the process.

Policy Summary Information

Policy information is shown on two screens—the **Policy Summary** screen and the **Policy Details** screen.

The **Policy Summary** screen is designed to optimize the productivity of customer service representatives (CSRs). Essential information is presented in an uncluttered and easy-to-interpret format. Navigation markers are clearly indicated to view additional information.

The Policy Summary screen provides summary information about the policy.

Policy Summary

[Start Delinquency](#) [Details](#)

Overview				Notes						
Insured	1 Year (Nov 1, 2015)	Currency	USD	Most recent note:						
Policy Lifetime	11/01/2015 - 11/01/2016	Billing Method	Direct Bill	Date	04/15/2016					
Effective Dates		Send Invoices By	Email	Topic	Billing Error					
Cancellation Status	Pending Cancellation	Default Payment Method	Responsive	Subject	Billing Error Acknowledged					
Delinquencies	1 in 12 months	Payment Plan	Monthly 10	Text						
UW Company				June contacted us on 4/10 to describe recent problems Big Lake had with their check writing clerk. The February invoices was for \$490.91, but the clerk mistakenly wrote a check for only \$400.91, and the March check never get written. She expects to have this resolved by the end of the week.						
Financials				Equity						
Current Payment Expected	\$1,071.82			Policy Equity	(\$738.58)					
Past Due	\$580.91			Equity Percent	-12.31%					
Late Fees	-			Paid Through	03/01/2016					
Next Invoice Due (on Tuesday, April 26, 2016)	\$490.91									
Last Payment Received (on Friday, April 15, 2016)	\$2,307.73									
			\$6,325.00							
		<table border="1"> <tr> <td>Unbilled: \$2,945.45</td> </tr> <tr> <td>Paid: \$2,307.73</td> </tr> <tr> <td>Written Off: \$0.00</td> </tr> <tr> <td>Billed: \$490.91</td> </tr> <tr> <td>Past Due: \$580.91</td> </tr> </table>	Unbilled: \$2,945.45	Paid: \$2,307.73	Written Off: \$0.00	Billed: \$490.91	Past Due: \$580.91			
Unbilled: \$2,945.45										
Paid: \$2,307.73										
Written Off: \$0.00										
Billed: \$490.91										
Past Due: \$580.91										
Account Information				Description						
Overview	<p>General policy information.</p> <ul style="list-style-type: none"> A link to the contact with the role of Primary Insured. The Policy Lifetime, or length of time the policy has been in force. This includes previous policy periods, and therefore this value can be longer than the length of the current policy period. The effective dates of the policy. The Cancellation Status. Number of Delinquencies in the past 12 months. A link to the policy's Underwriting Company. The policy's Currency (visible only if the instance of BillingCenter has multicurrency enabled). The Billing Method, the way invoices are sent to the account (Send Invoices By), the Default Payment Method, and the policy's Payment Plan. 									
Notes	<p>The most recent note and quick access to all notes for this policy. Includes the following:</p> <ul style="list-style-type: none"> Controls to create a new note (the + icon) and edit the most recent note (the pencil icon). A link that identifies the total number of notes for this account. Click the link to display all the account's notes in a popup. The date, topic, subject, and text of the most recent note. 									
Financials	<p>A summary of the policy's financial activity. The information shown depends on the account's billing level.</p> <ul style="list-style-type: none"> For a policy owned by an account-level billing account: <ul style="list-style-type: none"> A label identifying that the policy is paid at the account level. A pie chart identifying the amount of money that is unbilled, paid, billed, and past due, as well as the total policy value. A pie chart identifying the earned premium compared to the remaining balance. For a policy owned by a policy-level billing account: <ul style="list-style-type: none"> Financial summary information about the policy. It includes the Current Payment Expected, Past Due amount, Late Fee (if any), date and amount of Next Payment Due. It also specifies the date of the Last Payment Received, and the date the policy is Paid Through. A pie chart identifying the amount of money that is unbilled, paid, billed, and past due, as well as the total policy value. A pie chart identifying the earned premium compared to the remaining balance. 									

The policy **Details** screen provides detailed information about the policy.

Policy Information	Description
Policy Basics	Includes general policy information, such as the Policy Number , the Product type , the Effective Date , and the Expiration Date .
Account Information	Includes the Account Number and Account Name . You can link back to the account Summary from this location by clicking the account number.
Invoicing Overrides	Consists of a single field, Invoicing Overrides , which is a button that navigates to the Change Invoicing Overrides screen. From that screen, you can assign an overriding payer and/or an overriding invoice stream for the policy.
Insured Info	Contact information for the Named Insured , including the Address , Phone , and Email .
Producer	Information about any producer associated with the account, including the Producer Name and Producer 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, Agency Bill, or List Bill. To change the billing method, click the button next to the method name.
Charges	Identifies the total amount of Premium Charges , the total amount of Other Charges (such as tax charges and fee charges), and the Total amount of all charges .
Earnings	<p>This section is visible only if the creation of charge pro rata transactions is disabled.</p> <p>Identifies the amount of earned premium for the policy period.</p> <ul style="list-style-type: none"> • Earned Premium is the policy period's Earned Amount divided by the policy period's Total Equity Charge Value, formatted as a percent. • Earned Balance is (the policy period's Total Equity Charge Value minus the policy period's Earned Amount) divided by the policy period's Total Equity Charge Value, formatted as a percent. <p>For example, imagine a policy period with an Earned Amount of \$100 and a Total Equity Charge Value of \$400. The Earned Premium is 25% and the Earned Balance is 75%.</p>
Charge Pro Rata Earnings	<p>This section is visible only if the creation of charge pro rata transactions is enabled.</p> <ul style="list-style-type: none"> • Earned Premium Amount is the policy period's Earned Amount for all premium charges. • Other Earned is the policy period's Earned Amount for all non-premium charges, such as tax charges. • Total Earned is the policy period's Earned Amount for all charges. • Percent Earned is the total value earned as of the current date divided by the Total Earned, formatted as a percent.
Payments	Specifies the Payment Plan , the Total Paid , the Paid / Billed Ratio (amount paid divided by amount billed) and the Paid / Value Ratio (amount paid divided by total charges).
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 and the Total Adjusted Outstanding amount due.
Write-offs	Includes any Write-Off Amount that has been written off against the policy.
Policy Equity	Includes the Policy Equity and Equity Percent amounts, the date which the policy is Paid Through , the number of Days Till Paid Through Date . It also identifies whether to Enable Equity Warnings for this policy and the Minimum Number of Equity Days for preferred equity. It also specifies whether there is a Cancellation Pending and provides the Delinquency Reason .
History	Includes historical information about the policy's Initial Inception and Term Number .
Delinquency	A drop-down list where you can associate a policy-level Delinquency Plan with the policy.

The bottom of the screen contains a list 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 also

- “Delinquencies” on page 275

Searching for an Existing Policy

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

- From the **Search** tab, select **Policies** to view the **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.

If a policy period is assigned to a security zone, then it appears in the search results only if the user has access to that security zone.

The search results do not include policy periods that meet the search criteria on invoice items that are reversals or have been reversed or fully settled. For example, assume a search is performed for policy periods that have earned commissions for Producer Code ABC. If Policy Period 123 has earned commissions for Producer Code ABC, but the associated invoice items have been reversed, Policy Period 123 is not included in the search results.

See also

- “Security Zones and Searches” on page 401

Editing Existing Policy Information

The following fields on the **Policy Details** screen can be modified.

- Security Zone** – Associates 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, agency bill, or list bill.
- Enable Equity Warnings** – Enables or disables equity warnings. If enabled, the **Min # Equity Days** field is shown and can be edited.

Specifying a Policy-Level Delinquency Plan

- In **Policy Details** screen with the relevant policy active, click **Edit**.
- In the **Delinquency** section, select a delinquency plan from the drop-down list.

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.

Changing the Billing Method

Changing the policy billing method assigns a new payer for all items belonging to the policy.

See also

- “Changing the Billing Method on a Policy” on page 188

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.

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

See also

- “Reassigning a Payer” on page 184

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. Changes to a policy can also be performed in the BillingCenter user interface.

1. From the **Policy Details** screen with the relevant policy active, select **Actions → Change Policy** to view the **Policy Change Wizard**.
2. Enter the desired field values.
3. Click **Next** to view a screen where charges can be added to the policy.
4. Click **Add** to enter premium charges, reinstatement fees, or tax charges.
5. Click **Finish** to save the policy changes.

Transferring a Policy Between Accounts

You can transfer one or more open policy periods from one account to another using the **Account Transfer Wizard**. The target account becomes the owner of the policy periods. Closed policy periods cannot be transferred.

1. From the **Account** tab with the account active that owns the policy to transfer, select **Actions → Transfer Policies** to view the **Account Transfer Wizard**.
2. Find the target account for the transfer. The **Accounts** search facility can be used to locate the account.
3. 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.
4. Select the policies you want to transfer.
5. 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.
- For agency bill producers, if the producer role is Primary, BillingCenter sets the new producer as the payer.
- The transferred commission amounts remain unchanged. These amounts were calculated using the original producer's commission plan. To change the commission amount to use the new producer's commission rate, first transfer the policy to the new producer and then change the commission rate on each transferred charge.
- Commissions are not transferred for invoice items that have been frozen due to an archived policy period. The items are silently skipped during the transfer operation.

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

1. From the **Policy** tab with the policy to transfer active, select **Commissions** from the Sidebar to view the **Commissions** screen.
2. Click **Transfer Policy** to view the **Transfer Policy Wizard**.
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 6.
4. To transfer by producer, navigate to the original source producer. Select **Policies** from the Sidebar to view the producer's list of policies.
5. Click **Transfer Policy** to view the **Transfer Producer Wizard**.
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.

Commission Option	Description
Commissions retroactive to effective date transfer to new producer	<p>Transfer all charges and related commissions retroactive to the policy's effective date.</p> <p>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.</p> <p>This option is not available if invoice items are frozen due to an archived policy period.</p> <p>Performing a retroactive transfer is useful when a new policy is mistakenly associated with an incorrect producer.</p>
Point-in-time transfer to new producer	Transfer commissions that have yet to be earned and their related charges.

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

Closing a Policy Period

After a policy period's premium has been collected, the associated commissions paid, and the period's expiration date passed, the policy period has served its purpose. There is no reason for it to continue as an active element in the BillingCenter system. Allowing such policy periods to linger results in slower BillingCenter execution and a cluttered user interface. Policy periods that have reached their "end of life" are best closed. The closed policy period remains in the BillingCenter database, but it is no longer included in the normal BillingCenter operations. For example, a closed policy period is removed from the list of active periods, which increases program execution speed and eliminates user interface clutter. Closing a policy period is also a prerequisite before archiving the period.

Policy periods are closed automatically by the Policy Closure batch process. In general, a policy period is closed if it has been fully billed, fully paid, and its expiration date has passed.

See also

- "Policy Closure" on page 533 in the *Configuration Guide*

Reopening a Closed Policy Period

A closed policy period is reopened automatically if any of the following events occur.

- A new transaction is issued against the policy period's unbilled, billed, or due T-accounts. One example would be receipt of a **Reinstatement** billing instruction that charges a fee. Note: The fee alone causes the policy period to be reopened, not the **Reinstatement** instruction.
- Reversing a payment or write-off against the policy period
- Receipt of an **Audit** billing instruction

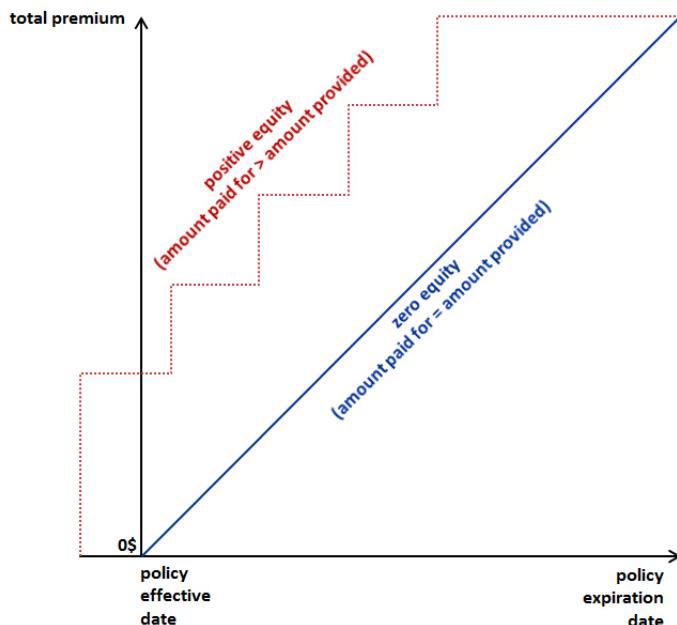
A closed policy period can also be reopened from the BillingCenter user interface. On the **Policy Details** screen, click the **Open Policy** button.

Equity

For every policy, the insurer provides coverage, or service, for every day that the policy is in effect. However, the policyholder does not pay for each day of service as that day occurs. Instead, the policyholder pays for service only at specific intervals. This means that at any given point in time, there can be a difference between the amount of service provided and the amount of service paid for.

Equity is a measure of the amount of service that has been paid for minus the amount of service that has been provided. When equity is positive, the amount of service that has been paid for is greater than the amount of service that has been provided. Insurers generally want policies to have positive equity. This helps to ensure that the insurer is maintaining enough money in reserve for possible claims. Positive equity also prevents situations where a policy is canceled mid-term and the insurer must ask for a payment for services provided but not yet paid for.

The following diagram illustrates equity graphically. The horizontal axis represents the term of the policy. The vertical axis represents the policy premium. The solid blue line represents the theoretical graph of zero equity, in which the policyholder pays for every day of service as it occurs. The red dotted line represents a more typical graph of equity. The amount of service goes up only at specific points in time, namely when the policyholder pays an invoice.



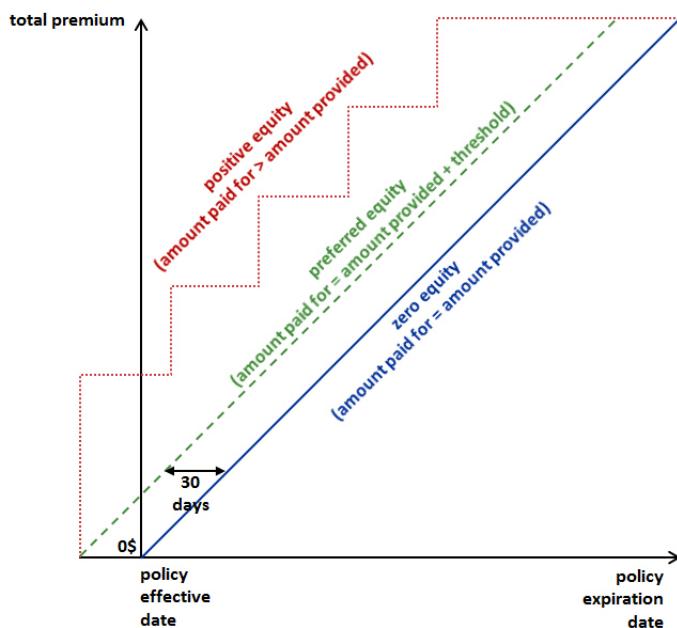
The red dotted line is also an example of positive equity. Invoices are paid in advance of service provided, so the amount of service paid for is always greater than the amount of service provided.

For every policy, BillingCenter displays the following equity information:

- Policy equity – The financial amount of service paid for minus the financial amount of service provided. For example, if a policyholder paid \$500 and has received \$300 of service, the policy equity is \$200.
- The policy's equity percent – This is defined as the policy equity amount divided by the total policy premium, expressed as a percent. For example, if the policy equity is \$200 and the total policy premium is \$1200, then the equity percent would be 200 divided by 1200, or 16.67%.
- The number of days through which the policy is currently paid, rounded down – For example, if a policy has a term length of 6 months (183 days), and the total policy premium is \$1200, each day of service costs \$6.56. If the policy equity is \$200, the policy is paid through the next 30.5 days, which is rounded down to 30 days.
- The date through which the policy is currently paid – For example, if a policy has been paid through the next 30 days and today is July 1, then the paid through date is July 31.

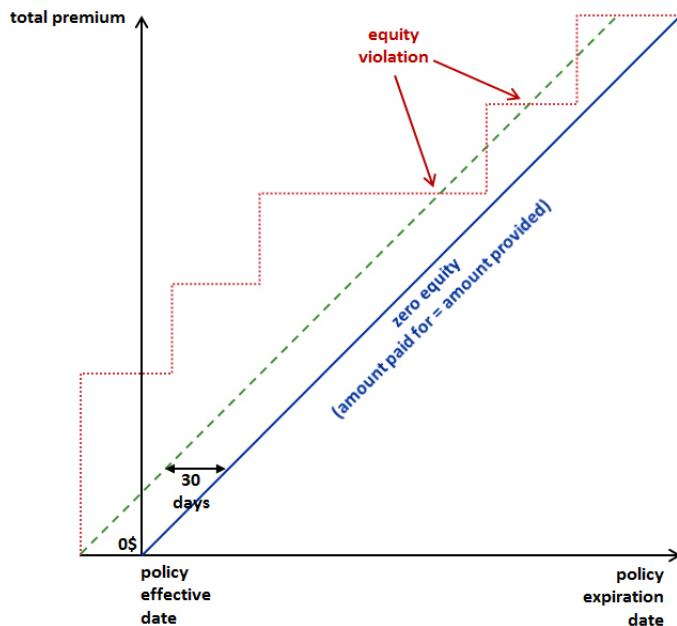
Preferred Equity and Equity Warnings

Many insurers desire more than simply having every policy above zero equity. Rather, there is a preferred equity threshold that insurers want every policy to maintain. This threshold is typically expressed not as a financial amount but rather as a number of days of service. For example, a given insurer might want every policy's equity to stay above 30 days' worth of service. In the following diagram, the preferred equity is represented by a green dashed line. Note that the positive equity line (the red dotted line) is always at or above the green dashed line. If a policyholder paid invoices to match the red dotted line, then the policy would maintain preferred equity as well as positive equity.



When a policy's payment schedule is created, the payment plan determines whether the policy will have the preferred amount of equity (assuming the policyholder pays in a timely manner). To enforce preferred equity, the insurer must create payment plans with sufficiently large down payments and with installments that are due early enough to achieve the preferred equity.

Even if a given policy's payment schedule initially maintains the preferred equity, it is possible for a BillingCenter user to modify the schedule in a way that violates this equity. For example, the following diagram shows a policy's equity after the last two invoices were changed to have later due dates. Whenever the amount of equity falls below the preferred threshold, an equity violation occurs.



When a user attempts to make changes that would violate the preferred equity, BillingCenter displays equity warning messages.

Viewing Equity Information

Equity information is shown on every **Policy Details** screen in the **Policy Equity** section. These fields provide information about equity above or below the zero equity level. They do not provide information about how the policy equity compares to the preferred equity threshold.

- **Policy Equity** – The financial amount of service that has been paid for and not yet provided.
- **Equity Percent** – The policy equity from the previous field divided by the total policy premium, expressed as a percent. Non-premium charges (such as taxes and fees) are not included when determining the equity percent.
- **Paid Through** – The date on which the policy equity drops to zero or below zero if no further payments are made.
- **Days Till Paid Through Date** – The number of days until the policy equity drops to zero or below zero if no further payments are made.

Viewing Equity Warnings

In the base configuration, BillingCenter checks for equity violations whenever a user attempts to make any of the following changes.

- Moving or modifying one or more invoice items
- Changing invoice bill dates, due dates, or frequency
- Changing invoice stream due dates
- Selecting a new payment plan for a policy

For most screens, when the user clicks the **Update** button, BillingCenter checks whether the pending changes will result in an equity violation. If a violation will occur, BillingCenter displays an equity warning message. This message typically includes the following information.

- The date range of the first violation. This range is from the first day that equity falls below the preferred threshold until the day that equity rises above the preferred threshold. If there are multiple date ranges when the policy will fall below preferred equity, only the first date range is specified.
- A suggestion of how to fix all of the violations. The suggestion includes a payment amount and a date for when to schedule the payment. The suggestion is not necessarily the only possible solution, but it is a guaranteed solution.

For example, a given equity warning might state: “**The current installments will violate the recommended 30 days of equity on 12/01/2016 until 02/01/2017. Scheduling a payment of \$1,103.30 due before 12/01/2016 will avoid any violation. Continue anyway?**”

The user can cancel the intended changes. Or, the user can ignore the warning and proceed with the intended changes.

There is one screen that does not provide equity warnings as an equity warning message - the **Move Invoice Items** screen. For a given account, this screen can be reached by going to the **Charges** screen and selecting a charge in the top list view. Then, select one or more invoice items in the bottom list view and click the **Move Invoice Items** button.

When moving invoice items, it is possible for some moved invoice items to violate preferred equity while other moved invoice items do not. Therefore, the presence of an equity violation is indicated in the **Equity Violation** column of the **Choose Destination Invoice** list. For each invoice item, if the reassignment of that invoice item will create an equity violation, **Yes** appears in this column. This column lets you identify all of the changes that will and will not violate equity.

Setting Equity Warnings for a Policy Period

1. From the **Policy Details** screen with the relevant policy active, click **Edit**.
2. In the **Policy Settings** section, set the **Enable Equity Warnings** and **Min # Equity Days** field values. The **Min # Equity Days** field specifies the preferred equity threshold for the policy period.
3. Click **Update** to save the change.

When a policy period is created, it gets default values for the equity warning settings from the payment plan. In the base configuration, the default is for equity warnings to be enabled for all policy periods with a preferred equity threshold of 30 days.

Setting Equity Warnings for a Payment Plan

1. Navigate to the payment plan. One method is from the **Administration** tab, select **Business Settings** → **Payment Plans** to view the list of payment plans. Click the desired plan to view its field settings.
2. In the **Equity Settings** section, set the **Enable Equity Warnings** and **Min # Equity Days** field values. The **Min # Equity Days** field specifies the preferred equity threshold for the payment plan.
When a payment plan is created, the equity warning settings are based on global default values. In the base configuration, the global default is for equity warnings to be enabled for all policy periods with a preferred equity threshold of 30 days.

chapter 11

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 “Bill Processing Types” on page 117.

This topic includes:

- “BillingCenter and Producers” on page 85
- “Producer Information” on page 86
- “Creating a Producer” on page 87
- “Editing a Producer” on page 88
- “Commissions” on page 88
- “Commission Plans” on page 89
- “Commission Subplans” on page 89
- “Working with Commission Plans” on page 94
- “Agency Bill Plans” on page 97
- “Agency Bill Validation” on page 103

BillingCenter and Producers

BillingCenter uses producers to manage and process commissions. If commissions are not used on a policy period, BillingCenter does not require that a producer be associated with the period.

Even though BillingCenter does not require a producer for commission-free policy periods, external policy administration systems often require that a producer be associated with each period. For example, the base integration between BillingCenter and PolicyCenter assumes that a producer is associated with each policy period. When the policy period does not use commissions, BillingCenter maintains the association between the producer and the period, but performs no operations related to the producer.

Additionally, each BillingCenter producer has a unique producer code. Each producer code is associated with a commission plan. As a result, a commission plan must be assigned to the producer code even if commissions are not used on the policy period. To handle the situation, the assigned commission plan typically specifies a 0% commission. This approach adequately manages the situation.

An alternative approach to the situation creates a new entity to store the producer information received from the external system. BillingCenter has no use for the entity's properties, and configuration code can use the producer information as it pleases.

Another alternative is to create a new role called Producer and assign the role to a contact associated with the policy period.

Producer Information

Producer information is shown on the **Producer Summary** screen.

Summary					
Edit		Basics		Status	
Producer Name	Standard Producer	Commission Paid Year to Date	-	Commission Day of Month	15
Tier	Gold	Total Commission Payable	\$1,483.85	Payment Frequency	Quarterly
Currency	USD	Total Commission Reserve	-	Hold Statement	Yes
Security Zone		Total Commission Expense	\$1,484.00	Negative Limit	(\$100.00)
Primary Contact Information		Advance Balance	-	Positive Limit	-
Primary Contact	Bill Baker	Unapplied Amount	-	Payment Instrument	Responsive
Address	143 Lake Avenue Pasadena, CA 91253	Suspense Amount	-	Agency Bill	
Email	producer@guidewire.com	Write-Off Expense	-	Plan	
Phone	650-357-9100			Account Rep	
Producer Codes					
	Producer Code	Commission Plan	Active?	Plan Rate	
	Standard Code	Standard Commission P...	Yes	10.00%	

The producer information is organized into the following groups.

- **Basics** – General producer information
- **Primary Contact Information** – Information about the primary contact
- **Status** – Various financial statistics
- **Direct Bill** – Configuration settings for direct bill producers
- **Agency Bill** – Configuration settings for agency bill producers

- **Producer Codes** – Listing of producer’s codes and their configurations. Each producer has one or more producer codes. Each code has one commission plan associated with it.

Creating a Producer

Producer information is typically received from an external policy administration system or PAS. Producers can also be created manually in the BillingCenter user interface.

When creating a new 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.
Hold Statement	Determines what action to take when a direct bill producer owes the insurer 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.
Default 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.

WARNING Assigning a large number of policies to a single producer can compromise performance. Guidewire recommends that customers consult with their Guidewire account manager and/or their project manager before creating producers with thousands of policies. See “Optimizing Performance for Producers” on page 515 in the *Configuration Guide*.

To create a producer in the BillingCenter user interface, perform the following steps.

1. From the **Producer** tab with the relevant producer active, select **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.
4. Click **Finish** to create the new producer.

Editing a Producer

1. From the Producer **Summary** screen with the relevant producer active, click **Edit**.
2. Modify the desired fields.
3. Click **Update** to save the modifications.

Commissions

BillingCenter manages the entire process of computing and paying commissions to producers. It enables you to control the method by which a producer's commissions are paid, including how often and when they are paid. It can be integrated with external payment systems to pay commissions by ACH transfer, by check, or by other means. A producer using direct bill can view commission statements in the BillingCenter user interface by selecting **Direct Bill Commission Statements** in the Sidebar.

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 unique producer codes.

A policy can specify up to three producer codes for different roles which producers can have with respect to the policy: primary agent, secondary agent, and referrer. Each producer associated with a policy can potentially receive a commission based on the producer's role.

Each producer code is associated with a commission plan. A commission plan specifies a commission rate and other commission-related properties. Any number of commission plans can be defined.

As a fictional example, a policy may assign the producer Alan Bates as its primary agent. The policy refers to Alan Bates by specifying his producer code of AB01. The producer code AB01 uses the commission plan Comm01. As a result, Alan Bates will be paid a policy commission based on the primary-agent commission rate specified in the Comm01 commission plan.

A commission plan can have multiple subplans. Each subplan can apply to a particular type of policy or situation.

For example, when a producer writes a personal auto policy, the commission plan might apply a subplan that is specific to personal auto policies. When the same producer writes a business property policy, the same commission plan might apply a subplan specific to business property policies. Each subplan can specify a different commission rate.

In addition to specifying commission rates, a subplan defines several other commission-related properties, such as whether the commission is based on premiums only or includes taxes and fees. They also specify when commissions are earned, such as upon policy issuance, policy billing, or payment received.

Commission subplans can handle a variety of situations.

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

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

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 an insurer pays to a producer. Insurers use commission to compensate producers for the policy business they provide to the insurer and for the services they provide to accounts. Commission is usually calculated as a percentage of the policy premium. Insurers 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. Insurers 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.

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.

Insurers 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.

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

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

Creating a Commission Subplan

1. From the Administration tab, select **Business Settings** → **Commission Plans** to view the list of commission plans.
2. Click the name of the commission plan to add a new subplan to. The commission plan's field values are shown.
3. Click **Edit**.
4. In the Subplans section, click **Add** to add a new subplan.
5. Enter values in the subplan properties tabs.
6. Click **Update** to save the new subplan.

Editing a Commission Subplan

A subplan can be edited as long as the commission plan is not in use.

1. From the Administration tab, select **Business Settings** → **Commission Plans** to view the list of commission plans.
2. Click the name of the commission plan that contains the subplan to edit. The commission plan's field values are shown.
3. Click the name of the subplan that you want to edit to view the subplan's field values.
4. Click **Edit** at the top of the commission screen.
5. Edit the subplan properties.
6. Click **Update** to save the modified subplan.

Subplan Properties

Commission subplans allow you to perform the following actions.

- 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 **CommissionsPayable** T-account at the producer level.

The **Earn Commissions** criteria 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 insurer 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 insurer receives each payment. If a commissionable item is partially paid, commission is earned on that portion at the time the insurer 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 210 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**.

To add a commissionable item to a subplan, perform the following steps.

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**.

Special rates are typically used in the following situations.

- 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 to a subplan, perform the following steps.

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 to a subplan, perform the following steps.

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 insurer pays to the primary producer as incentive commission.
4. Enter the **Threshold**—the amount the commissionable charges must exceed for the insurer to pay the incentive to the primary producer.
5. Click **OK**.
6. Click **Update** to save your changes.

Defining New Incentive Types

The BillingCenter base configuration includes a predefined set of incentive types. Additional incentive types can be defined by configuration.

1. Define a new incentive type entity by extending `Incentive`, `PolicyBasedIncentive`, or `PremiumIncentive`.
2. Define the user interface for creating an instance of the incentive type. 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.

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.

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 calculated by the following equation.

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

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

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

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.

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.

Overriding the Commission Rate at the Policy Charge Level

1. From the **Policy** tab with the relevant policy active, select **Charges** from the Sidebar to view the list of the policy's charges.
2. Click the **Override Commission** tab.
3. Enter a new rate on the **Commission Rates** screen.
4. Click **OK** to change the commission rate at the charge level.

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.

Overriding the Commission Rate at the Policy Period Level

A partially frozen policy period cannot override the commission rate because the override affects all invoice items, including frozen items. Instead, change the rate on individual invoice items that are not frozen.

1. From the **Policy** tab with the relevant policy period active, select **Commissions** from the Sidebar to view the list of commission transactions.
2. In the **Transactions** section, select the relevant producer from the drop-down list to view the list of the producer's commission transactions.
3. Click **Override Plan** to view the **Override Commission Plan** screen.
4. Choose **Percentage** from the drop-down list. Enter a new commission rate.
5. Click **Update** to change the commission rate at the policy period level.

A transaction that represents the adjustment for the new commission rate shows up in the **Transactions** section of the **Commissions** screen.

Overriding the Commission Rate at the Producer Level

1. From the **Administration** tab, select **Business Settings** → **Commission Plans** to view the list of commission plans.
2. Click the commission plan associated with the producer to view the plan's field values.
3. Click **Edit**.
4. From the **Subplans** section and the **General** tab, change the relevant commission rates for the producer.
5. On the **Special Rates** tab, provide a commission rate by role and charge pattern to allow overrides on the default rate on the subplan.
6. Click **Update** to change the commission rates for the producer.

The new commission rates are used for future commissionable items.

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.

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 with Flat Amounts

BillingCenter can override a commission rate with a flat amount. For example, suppose you have a policy period that is associated with a producer code that indicates the producer earns 1% of the premium as commission. But instead, you want the producer to earn \$50 of commission, regardless of the policy period premium or commission rate.

BillingCenter can implement flat amount commissions only through Gosu code. The typical use case is for the flat amount to be specified in the billing instruction. When the commission reserve is created, BillingCenter uses the flat amount as the reserve amount, regardless of the amount that the commission rate calculation would return.

For more information, see “Commission Overrides” on page 478 in the *Configuration Guide*.

Mapping a Commission Schedule to a Commission Plan

You create commission plans based on an insurer’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 insurer 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	Insurer 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 • Allow States = FL • All UW Companies • Acme = Yes • FifthWheel = No 	2	<p>Note: Terms is set to All in this sub-plan. This is done to illustrate how subplans work: BillingCenter selects the Acme-FL Prop New subplan for initial Acme property coverage policy business. Because BillingCenter stops searching for a subplan when the first match is found, it is not necessary to exclude Initial Business from this subplan.</p>
Fifth Wheel-FL Prop New	3	14%	<ul style="list-style-type: none"> • Commercial Property = Yes • All other products = No • Terms • Initial Business = Yes • First Renewal = No • Second Renewal = No • Third Renewal = No • Thereafter = No • Allow States = FL • Allow UW Companies • 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>

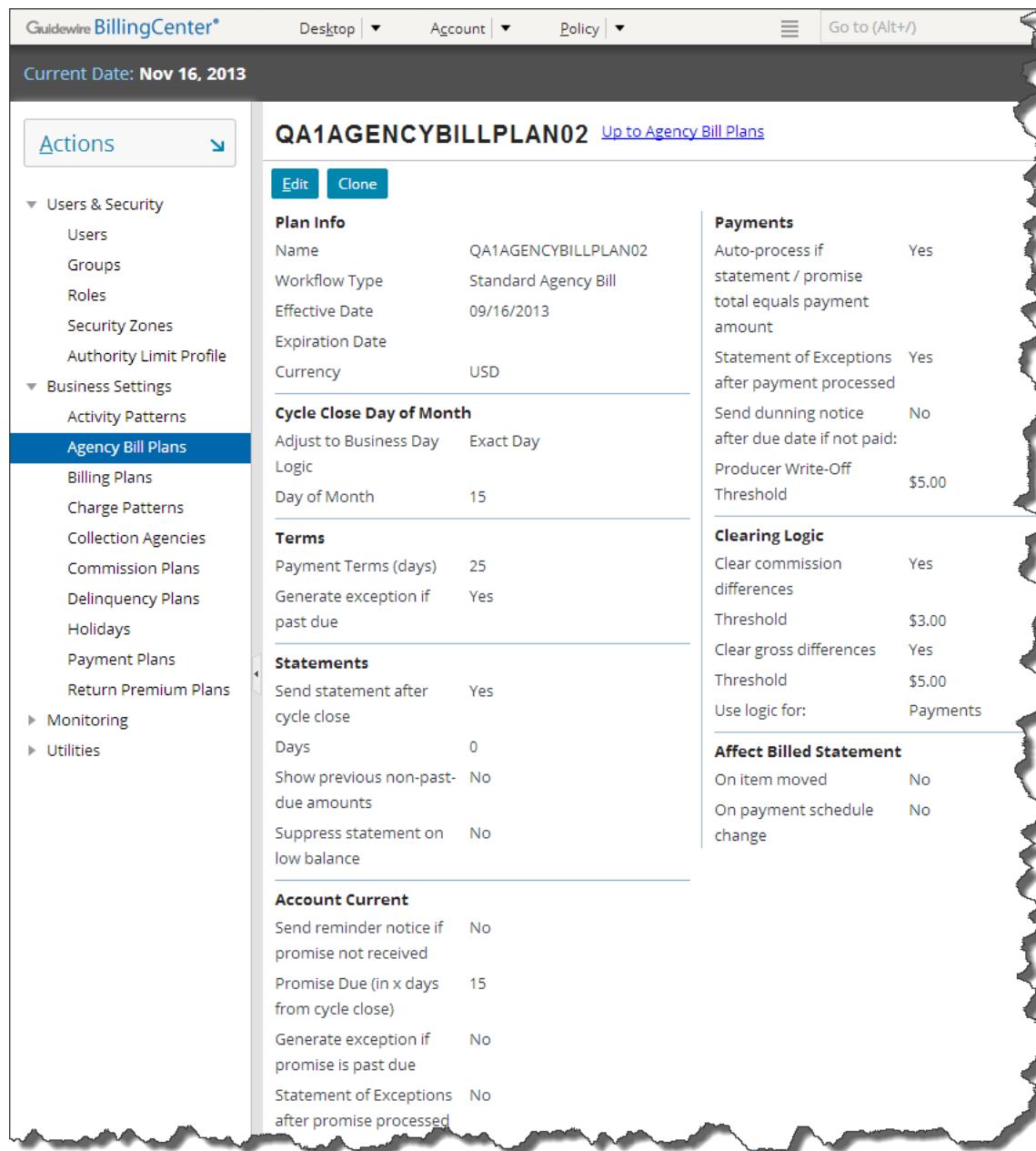
Agency Bill Plans

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 insurers, minus their commission. In BillingCenter, an Agency Bill producer must have the following associated plans.

- An agency bill plan that determines how the process will be handled for each producer.
- A commission plan that determines the amount of commission the producer will be paid.
- An agency bill plan is necessary if the producer is using assignment of items. Assignment of items allows the assignment or reassignment of any item to any BillingCenter account or producer.

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 section.



The screenshot displays the Guidewire BillingCenter interface for managing agency bill plans. The top navigation bar includes links for Desktop, Account, Policy, and Go to (Alt+/). The current date is set to Nov 16, 2013. The main content area shows the configuration for the agency bill plan QA1AGENCYBILLPLAN02, which is a Standard Agency Bill effective from 09/16/2013. The configuration is organized into several sections:

- Plan Info:** Name is QA1AGENCYBILLPLAN02, Workflow Type is Standard Agency Bill, Effective Date is 09/16/2013, Expiration Date is not specified, and Currency is USD.
- Cycle Close Day of Month:** Adjust to Business Day is set to Exact Day, and the Day of Month is 15.
- Terms:** Payment Terms (days) is 25, and Generate exception if past due is Yes.
- Statements:** Send statement after cycle close is Yes, Days is 0, Show previous non-past-due amounts is No, and Suppress statement on low balance is No.
- Payments:** Auto-process if statement / promise total equals payment amount is Yes, Statement of Exceptions after payment processed is Yes, Send dunning notice after due date if not paid is No, Producer Write-Off Threshold is \$5.00, Clear commission differences is Yes, Threshold is \$3.00, Clear gross differences is Yes, Threshold is \$5.00, and Use logic for: Payments.
- Clearing Logic:** Clear commission differences is Yes, Threshold is \$3.00, Clear gross differences is Yes, Threshold is \$5.00, and Use logic for: Payments.
- Affect Billed Statement:** On item moved is No, and On payment schedule change is No.
- Account Current:** Send reminder notice if promise not received is No, Promise Due (in x days from cycle close) is 15, Generate exception if promise is past due is No, and Statement of Exceptions after promise processed is 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**.

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 during which BillingCenter performs the following actions.

- 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 performs the following actions.

- Produces an accounting of what payments the producer owes the insurer.
- 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.

The **Cycle Close Day of Month** settings specify how the monthly cycle is handled for the producer. This section of the agency bill plan includes the following fields.

User interface name	Agency Bill Plan field	Meaning
Cycle Close Day of Month		
Adjust to Business Day Logic	CycleCloseDayofMonthLogic	<p>Determines how the Cycle Close Day of the Month will be adjusted to a business day. Options include:</p> <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 also

- “Agency Bill Statements and Cycles” on page 195

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.

The **Terms** settings specify when payment becomes past due and if an exception is to be generated. This section of the agency bill plan includes the following fields.

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

See also

- “Agency Bill Exceptions” on page 317
- “Agency Bill (Statement) Processing” on page 197

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 types of agency bill processing the producer will use.

- Statement Bill
- Account Current

Statements Section

If the producer uses statement bill processing, BillingCenter produces statements for the producer when an agency bill relationship exists between the insurer and the producer. The statement provides details of how much the producer expects to pay the insurer 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 an insurer, the insurer bills the producer each month for that business. The producer has agreed to make payments to the insurer 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 insurer. The statement represents the insurer’s best estimate of what the producer owes.

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

The **Statements** settings specify how the statement bill is handled for the producer. This section of the agency bill plan includes the following fields.

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.

Account Current Section

If the producer uses account current processing, the insurer 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, the following occurs.

- 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 insurer, the producer agrees to send the insurer an accounting of what is owed each month. This accounting, called a promise to pay, gives the insurer time to review the producer's input and notify the producer of any exceptions prior to receipt of payment.

The **Account Current** settings specify how promise to pay is handled for the producer. This section of the agency bill plan includes the following fields.

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 insurer. 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 insurer.
Stmnt of Exceptions after promised processed	PromiseExceptionsSent	If Yes, a statement of exceptions is sent to the producer after the Promise is processed.

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.

The **Payments** settings specify how agency bill payments and exceptions are handled for the producer. This section of the agency bill plan includes the following fields.

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.

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.

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 specify where any offsets are placed for charge holds, assignment of items, or payment plan schedule changes.

User interface name	Agency Bill Plan field	Meaning
Affect Billed Statement		
On item moved	CreateOffsetsOnBilledInvoices	If Yes, the offset for the item is placed on the same Billed statement, even if the statement has already been sent to the producer. If No, the offset for the item is placed on the next Planned statement.
On payment schedule change	PmntSchdChngOffsetOnBilled	If Yes, the offset for the item is placed on the same Billed statement, even if the statement has already been sent to the producer. Most likely, the statement will be resent to the producer. If No, the offset for the item is placed on the next Planned statement.

Configuring Dunning Notices in the Agency Bill Plan

When using the Standard Agency Bill plan, use the **Payments** section to configure the number of days after the cycle close 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 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, suppose you are using the default **Standard Agency Bill Plan** with the default **Standard Agency Bill** workflow. To send a dunning notice, you must define the dates to send the first and second dunning notices.

1. To define the date of the first dunning letter, select the **Yes** button next to **Send Dunning Notice After Due Date If Not Paid** in the **Payments** section. 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.
3. To define the date of the second dunning letter, select the **Yes** button next to **Send Second Dunning Notice After First Dunning Notice If Not Paid** in the **Payments** section. The second **Days** field displays.
4. 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.

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.

See also

- “Understanding Workflow” on page 353 in the *Configuration Guide*

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 associated with the Producer. The Account Representative is assigned by the insurer to work with the producer to resolve any exceptions relating to payments or promises.

Contacts

BillingCenter can store contact information for an account, policy, and producer. A contact is a company or individual associated with the item. Contact information can be viewed on the item's **Contacts** screen.

This topic includes:

- “Adding a New Contact” on page 105
- “Adding an Existing Contact” on page 105
- “Searching for Contact Information” on page 106
- “Editing Contact Information” on page 106
- “Removing Contact Information” on page 106

Adding a New Contact

When creating an account, policy, or producer, contact information for the primary contact can be specified.

1. With the relevant item 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

Contacts can be shared among accounts, policies, and producers.

1. With the relevant item 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**.

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 item.
- 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 item whose contacts you want to view.

Editing Contact Information

Edit contact information by performing the following steps.

1. With the relevant item 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

A contact can be removed from an item. The contact still exists in the Contact database and can be used in other items.

1. With the relevant item active, click **Contacts** to show the **Contacts** screen.
2. Click **Edit**.
3. Place a check mark next to the contact to remove. Click **Remove** to remove the contact from the item.

part IV

Receiving Instructions from External Systems

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 109
- “Interaction with a Policy Administration System” on page 110
- “Billing Instruction Contents” on page 111
- “Billing Instruction Subtypes” on page 112

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. Upon receipt of a billing instruction, BillingCenter determines how to invoice each charge.

If an insurer 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.

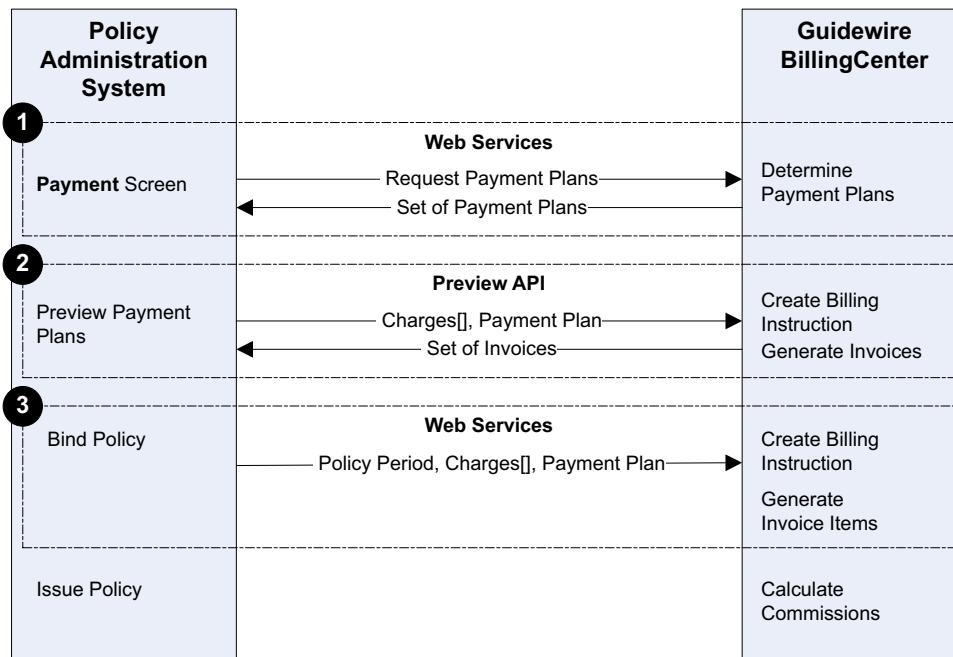
During this process, BillingCenter uses the billing instruction to:

- 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. When the policy is bound, the policy administration system sends information (typically, through web services) to BillingCenter. This includes the policy period, the set of charges, and the payment plan. 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

- “Policy Administration System Core Web Service APIs (`BillingAPI`)” on page 87 in the *Integration Guide*
- For an overview of PolicyCenter integration with BillingCenter, see “Policy Administration System Integration” on page 347.
- “Billing Integration” in the *PolicyCenter Integration Guide* which is part of the PolicyCenter documentation set

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.

- 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.

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 and special handling instructions.

See also

- “Billing Instruction Subtypes” on page 112

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

- “Charges” on page 129

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 in BillingCenter

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

Setting Up Special Handling Programmatically

You can add special handling instructions to the Policy Change billing instruction sent from the policy administration system to BillingCenter.

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.

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.

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, the policy administration system 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 following table shows the policy-level billing instruction subtypes.

Type	Subtype codes	Necessary information
Base	General	<ul style="list-style-type: none"> • Payment plan • Payment plan modifiers • Policy • Policy period
	OffsetChargeBI	
	OnsetChargeBI	
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

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.

part V

Charges and Invoicing

Bill Processing Types

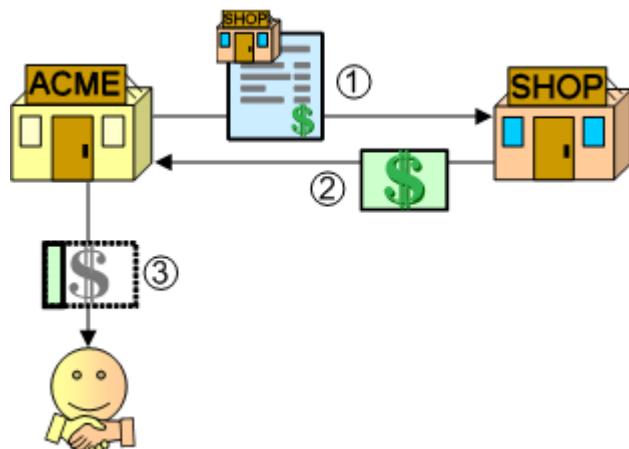
BillingCenter supports the following types of bill processing.

- “Direct Bill Processing” on page 117
- “Agency Bill Processing” on page 118
- “List Bill Processing” on page 118

Direct Bill Processing

Direct bill processing means that the insurer bills the insured for any charges associated with an account or policy and the insured makes payments directly to the insurer. If a direct bill producer is associated with this process, then the insurer makes commission payments to that producer based on the producer commission plan.

The process commonly proceeds in this order:



1. Insurer sends invoice to account
2. Account sends payment to insurer

3. Insurer sends commission to producer

Agency Bill Processing

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 insurer, minus the amount owed to the producer for commission.

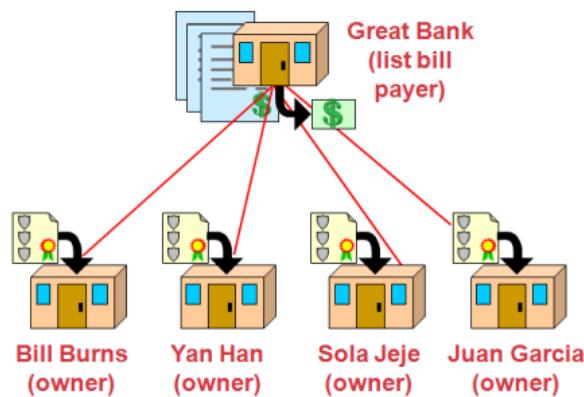
As part of agency bill processing, the insurer needs to do the following:

- 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 insurer believes the producer owes.
- Manage agency bill write-offs, delinquency processing, and premium reporting.

List Bill Processing

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 insurer, 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 an insurer to collect homeowners insurance premiums from individual homeowners. The mortgage bank then pays the premiums for all enrolled accounts to the insurer. 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 payment interval corresponding to the payroll cycle.

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 121
- “Billing Levels and Unapplied T-Accounts” on page 124
- “Setting the Billing Level” on page 126
- “Effects of Changing the Billing Level” on page 126

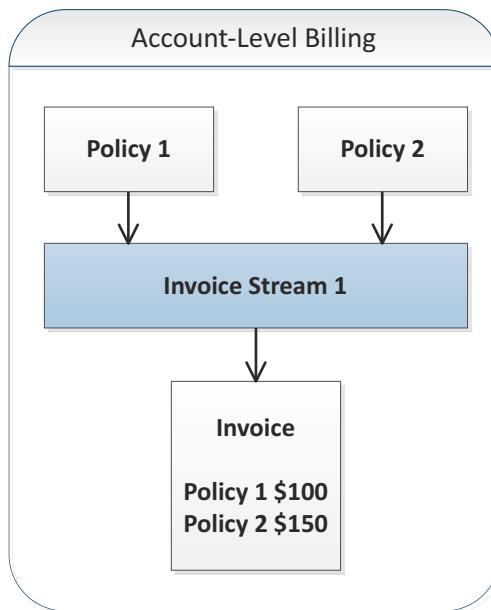
Types of Billing Levels

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 payment interval—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.

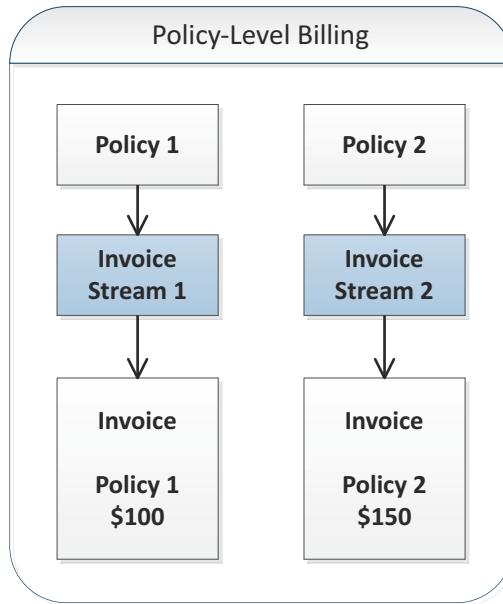


With account-level billing, incoming payments are applied to any policy owned by the account. The distribution of payments among the invoice charges is determined by the account's payment allocation plan.

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. If an account has two policies with the same payment interval, each policy will have its own invoice stream. In this case, two invoices are 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 payment interval.

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.

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.

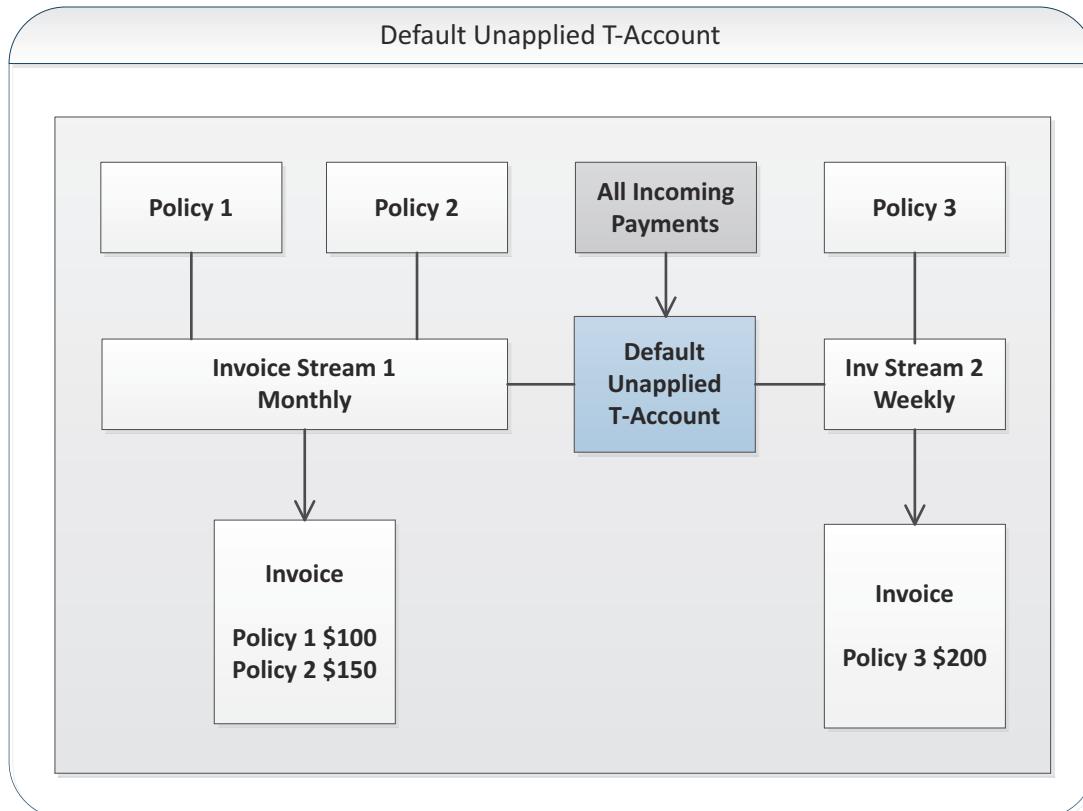
Billing Levels and Unapplied T-Accounts

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.



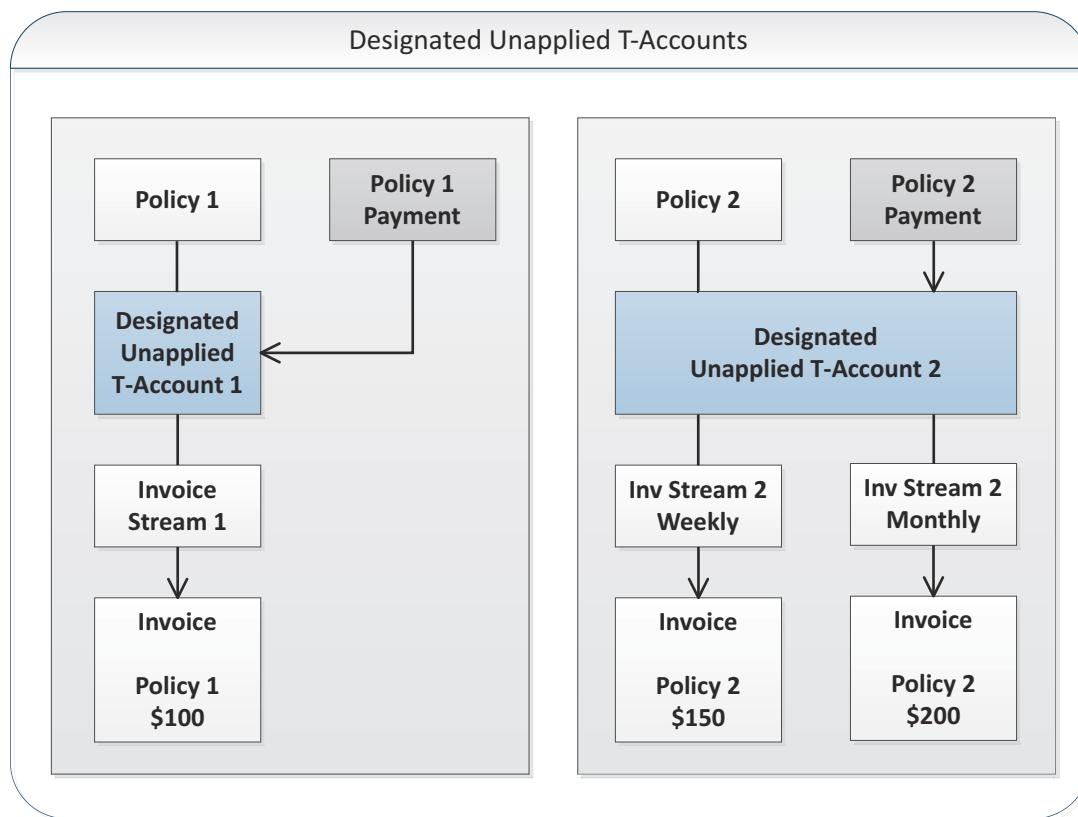
Designated Unapplied T-Accounts

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.

In order to change the billing level, the BillingCenter user must have the **Account Details Edit** permission (`acctdetedit`). Without the required permission, the **Billing Level** section does not include the **Modify** icon.

The following sections describe how to set each billing level using the BillingCenter user interface.

Setting Account-Level Billing

1. With the relevant account active, display the **Details** screen.
2. In the **Billing Level** section, click the **Modify** icon to show the **Modify Billing Level** screen.
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

1. With the relevant account active, display the **Details** screen.
2. In the **Billing Level** section, click the **Modify** icon to show the **Modify Billing Level** screen.
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

1. With the relevant account active, display the **Details** screen.
2. In the **Billing Level** section, click the **Modify** icon to show the **Modify Billing Level** screen.
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**.

Charges

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:

- “BillingCenter Charges” on page 129
- “Viewing Charges” on page 130
- “Creating a New Charge for a New Policy Period” on page 131
- “Creating a New Charge for a Policy Renewal” on page 131
- “Charge Groups” on page 131
- “Charge Reversals” on page 132
- “Charge Patterns” on page 133
- “Recapture Charges” on page 136
- “Billing Plans” on page 137
- “Payment Plans” on page 142
- “Payment Schedules” on page 150

BillingCenter 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.

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.

Viewing Charges

To view a list of charges for an account, from the **Account** tab with the relevant account active, click **Charges** from the Sidebar to view the **Charges** screen.

To view a list of charges for a policy, from the **Policy** tab with the relevant policy active, click **Charges** from the Sidebar to view the **Charges** screen.

Creating a New Charge for a New Policy Period

1. To create a new policy period and charge, from the **Account** tab with the relevant account active, select **Add Policy**.
2. In Step 2 of the **New Policy Wizard**, click **Add** and enter the new charge. If needed, you can also specify a charge group for the new charge.
3. Click **Finish** to complete process.

Creating a New Charge for a Policy Renewal

1. To create a new charge for a policy renewal, from the **Policies** tab with the relevant policy active, select **Renew Policy**.
2. In Step 2 of the **Renew Policy Wizard**, click **Add**, and enter the new charge. If needed, you can also specify a charge group for the new charge.
3. Click **Finish** to complete process.

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** tab's **Invoices** screen. In this example the charge groups are A, B, and C.

Manually Implementing Charge Groups

1. From the **Account** tab, select **Actions** → **Add Policy** to view the **New Policy Wizard**.
2. Enter the required policy information.
3. Click **Next** to view the screen where one or more charges can be added to the policy.
4. Click **Add** to add a new charge.
5. Click the **Type** column to select the charge type from the drop-down list, such as **Premium**.
6. Optionally, click the **Charge Group** column to enter the charge group, such as a string field like **A-1**.
7. Enter values for the other optional fields.
8. Enter the required premium **Amount**.

9. Click **Finish** to complete the process.

Programmatically Implementing Charge Groups

The policy administration system can specify a charge group in the billing instruction. Alternatively, you can also write a `BillingInstruction` pre-update rule to assign a charge to a charge group.

Aggregate Policy Charges by Charge Group

1. From the **Administration** tab, select **Business Settings** → **Billing Plans** to view the list of billing plans.
2. Click the **Name** link of the billing plan associated with the policy to view the plan's settings. The selected billing plan cannot already be in use.
3. Click **Edit**.
4. In the **Aggregation** section, set the **Line Items Show** field to **Charge Groups** from the drop-down list.
5. Click **Update** to save 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.

Reverse a Charge from the Account Charge Screen

1. From the **Account** tab with the relevant account active, select **Charges** from the Sidebar to view the list of charges for the account.
2. From the list of charges, select one or more charges.
3. Click **Reverse** to reverse the selected charges.

Reverse a Charge with a Charge Reversal Transaction

1. From the **Account** tab with the relevant account active, select **Actions** → **New Transaction** → **Charge Reversal** to view the **New Charge Reversal Wizard**.
2. 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.
3. Select each charge to reverse by clicking its **Select** button.
4. Optionally, select a **Reversal Reason** from the drop down list.
5. Select **Finish** to create a Charge Reversal transaction by processing a `ReversalBillingInstruction`.

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.

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	<i>chargeNameUnbilled (A)</i>	<i>chargeNameRevenue (R)</i>	Recognized at once as revenue.
PassThroughCharge	<i>chargeNameUnbilled (A)</i> <i>chargeNameExpense (E)</i>	<i>chargeNameRevenue (R)</i> <i>chargeNameReserve (L)</i>	Initially the same as an Immediate charge; no revenue recognized because of the offsets from the second pair of T-accounts shown.
ProRataCharge	<i>chargeNameUnbilled (A)</i>	<i>chargeNameUnearned (L)</i>	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.
RecaptureCharge	<i>chargeNameUnbilled (A)</i> <i>chargeNameExpense (E)</i>	<i>chargeNameRevenue(R)</i> <i>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.

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**.

See also

- “Equity Dating” on page 282

Viewing Charge Patterns

On the **Administration** tab, select **Business Settings** → **Charge Patterns** to view the list of charge patterns.

Creating a New Charge Pattern

1. Click the **Administration** tab.
2. Select **Actions** → **New Charge Pattern**.

3. Select a charge pattern subtype from the drop-down list to view the **New Charge Pattern** screen.
4. Enter the required field values and any optional values.
5. Click **Update** to save the new charge pattern.

Editing a Charge Pattern

1. From the **Administration** tab, select **Business Settings** → **Charge Patterns** to view the list of charge patterns.
2. Click the **Code** or **Name** link of the relevant charge pattern to view the pattern's field values.
3. Click **Edit** to modify the charge pattern.
4. Edit the charge pattern field values as desired.
5. Click **Update** to save the changes.

Recapture Charges

A recapture charge is used to recover money from an insured following an incorrect disbursement.

As an example, assume an insured overpays a bill by \$45. A disbursement for \$45 is sent to the insured. Subsequently, the insured's check is returned by the bank because of insufficient funds. The payment is accordingly reversed, resulting in the balance of the Unapplied fund becoming negative \$45. To recover the incorrect \$45 disbursement, a recapture charge is created. When the insured successfully pays the recapture charge, the Unapplied fund is restored to a zero balance.

The Accounting Structure of a Recapture Charge

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 a payment is received for the charge, BillingCenter takes the funds from the Cash T-account and moves them 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 the funds.

Creating a Recapture Charge

1. In the **Account** tab with the relevant account active, click **Actions** → **New Transactions** → **Recapture** to show the **New Recapture Wizard** screen.
2. Select the applicable Unapplied fund.
3. BillingCenter provides a single Recapture charge pattern. If additional Recapture charge patterns are configured, select the desired pattern from the **Category** drop-down list.
4. Enter the **Amount** to recapture.
5. Click **Finish** to create the recapture charge.

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.

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.

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. A billing plan must also be specified when an account is created manually.

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.

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 following table describes the basic billing plan settings.

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.
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.

Lead Time Settings

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 nonresponsive payment instruments such as credit card payments or electronic funds transfers.

The following table describes a billing plan's lead time settings.

Setting	Billing plan field	Description
Lead Time	PaymentDueInterval	<p>Number of days between invoice billing date and payment due date.</p> <p>This setting is required.</p>
Non Responsive Lead Time	NonResponsivePmntDueInterval	<p>Lead Time for nonresponsive 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 nonresponsive.</p> <p>This setting is required.</p>
Expressed In	LeadTimeDayUnit	<p>Identifies whether lead time is calculated using calendar days or business days.</p> <p>This setting is required.</p>

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 following table describes a billing plan's fee handling settings.

Setting	Billing plan field	Description
Invoice Fee	InvoiceFee	<p>Specifies an account-level fee for managing invoices for direct bill policies.</p> <p>This setting is optional.</p>
Payment Reversal Fee	PaymentReversalFee	<p>Specifies a fee for payments reversed because of insufficient funds.</p> <p>This setting is optional.</p>
Skip installment fee on policies	SkipInstallmentFees	<p>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.</p> <p>If this setting is Yes, any installment fee defined in the policy's payment plan will not be charged.</p> <p>This setting is required.</p>

Aggregation Settings

There is one Aggregation setting—Line Items Show—which specifies how 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.

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 following table describes a billing plan's low balance settings.

Setting	Billing plan field	Description
Suppress invoices with balance below	SuppressLowBalInvoice	<p>Specifies whether or not BillingCenter generates an invoice for a low balance.</p> <p>This setting is required.</p>

Setting	Billing plan field	Description
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

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 maximum monetary amount for an automatic disbursement. In such cases, the disbursement must be approved before it is paid. To manage approvals, BillingCenter creates an approval activity.

The billing plan's disbursement settings specify how to process automatic disbursements and whether to create an approval activity for it. The settings are used by the Automatic Disbursement batch process.

Setting	Billing plan field	Description
Review Disbursements Over	ReviewDisbursementsOver	Specifies the maximum monetary amount for an automatic disbursement. Disbursements up to the amount are approved immediately. A disbursement over the amount generates an approval activity (if activities are enabled). The disbursement is not paid until the activity is approved.
Delay Disbursement Processing Days	DelayDisbursement	Specifies the number of days after the disbursement is created to delay processing the disbursement.
Automatic disbursement when surplus exceeds amount available for disbursement plus	DisbursementOver	Specifies an upper limit for an amount too trivial to disburse. For example if this field is set to \$4.99, BillingCenter does not disburse an amount less than \$5.00.
Calculate amount available for disbursement as	AvailableDisbAmtType	Specifies how to calculate the monetary amount that is available for disbursing. <ul style="list-style-type: none"> • UnappliedMinusAUC – Monetary amount in Unapplied funds minus amount under contract • UnappliedMinusBilled – Monetary amount in Unapplied funds minus amount billed
Create automatic disbursements with associated approval activities	CreateApprActForAutoDsb	Enables and disables the creation of an approval activity if the automatic disbursement exceeds the allowed maximum monetary amount.
Send automatic disbursements awaiting approval on their due dates	SendAutoDisbAwaitingApproval	Specifies whether to process an automatic disbursement on its payment date if the disbursement is still pending approval.

See also

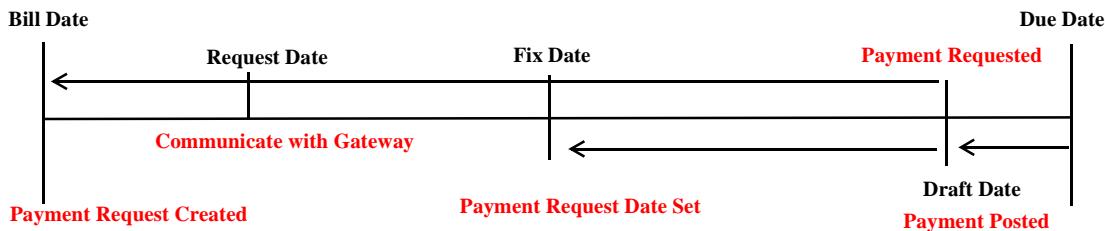
- “Automatic Disbursement Batch Processing” on page 94 in the *System Administration Guide*

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 following table describes a billing plan's payment request settings.

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.

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.

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.

Viewing a Payment Plan

1. From the Administration tab, select Business Settings → Payment Plans to view a list of the available payment plans.
2. Click the Name link of a payment plan to view the plan's field values.

Payment Plan

The Payment Plan section contains general information about the plan.

Payment Plan	
Name	A Monthly 10% Down, 9 Max installments
Description	Monthly 10% Down, 9 Max installments
Effective Date	08/17/2015
Expiration Date	
Is Reporting?	No
Currency	USD

- **Name** and **Description** of the payment plan.
- **Effective Date** and **Expiration Date** specify the period of time the payment plan is valid.
- **Is Reporting?** indicates whether policies associated with the payment plan are for premium reporting-based policies. If set to **Yes**, then billing instructions for the policy period must be subtypes of **PremiumReportBI**.
- **Currency** specifies the plan's primary currency.

Charge Invoicing Details

The Charge Invoicing Details section specifies how charges are divided into installments and when invoice items can be invoiced.

Invoicing Treatment Details	
Has Down Payment	Yes
Max # of Installments	9
Down Payment	
Down Payment (%)	10
Invoiced days	25 Before Policy Effective Date
First Installment	
Invoiced days	0 After One Interval After Policy Effective Date
One-Time Charges (Full Pay Items)	
Invoiced days	25 Before Policy Effective Date

The **Invoicing Treatment Details** section includes the following fields.

- **Has Down Payment** specifies whether there is a down payment. Note that a down payment is created only when the charge's charge pattern has an invoicing approach of either **Down Payment and Installments** or **Single Down Payment**. If any other invoicing approach is specified, no down payment is created.
- **Max # Installments** sets the maximum number of installment invoice items that can be created. Note that blackout windows can also limit the number of installments.

The **Down Payment** section is shown only if **Has Down Payment** is set to **Yes**.

- **Down Payment (%)** specifies the percentage of the total charge to require as a down payment.
- The **Invoiced** and **days** fields specify when the down payment can be invoiced. These fields can be set to zero or more days before or after the base reference date. The resulting date specifies the earliest date that the down payment can be billed. The following reference dates are supported.
 - **Charge Date**
 - **Charge Effective Date**
 - **One Interval After Charge Effective Date**
 - **Policy Effective Date**
 - **One Interval After Policy Effective Date**

The **First Installment** section is always shown.

- The **Invoiced** and **days** fields specify when the first installment can be invoiced. The fields are interpreted in the same manner as the fields used to define a down payment.
- The **Do you want to schedule a second installment** field is shown if the **Has Down Payment** field is **No**. It specifies whether the first installment is an out-of-sequence installment.
 - If set to **No**, all installments are scheduled at regular intervals starting with the first installment.
 - If set to **Yes**, the first installment is scheduled out of sequence. The regular schedule of installments starts with the second installment. When **Yes** is selected, the **Second Installment** section becomes visible.

The **Second Installment** section is shown only if **Has Down Payment** is **No** and **Do you want to schedule a second installment** is **Yes**.

Invoicing Treatment Details	
Has Down Payment	* <input type="radio"/> Yes * <input checked="" type="radio"/> No
Max # of Installments	* 9
First Installment	
Invoiced days	* 0 * After * One Interval After Policy
Do you want to schedule a second installment?	
* <input checked="" type="radio"/> Yes * <input type="radio"/> No	
Second Installment	
Invoiced days	* 0 * After * One Interval After Charge

The **Invoiced** and **days** fields specify when the second installment can be invoiced. The fields are interpreted in the same manner as the fields used to define a down payment.

The **One-Time Charges (Full Pay Items)** section identifies when one-time, non-pro rata charges are invoiced. Such charges include invoice fees, installment fees, reinstatement fees, late fees, and taxes.

The **Invoiced** and **days** fields specify when the one-time charge can be invoiced. The fields are interpreted in the same manner as the fields used to define a down payment.

The **Aligning Installments to Invoices** section is shown only for older payment plans that have been upgraded to a newer version of BillingCenter. In the current version of BillingCenter, new payment plans have invoice alignment enabled by default. Guidewire recommends that all payment plans enable invoice alignment.

Aligning Installments to Invoices	
* <input checked="" type="radio"/> Align installment dates to invoice dates <input type="radio"/> No alignment for installment dates	

- Align installment dates to invoice dates enables invoice alignment for invoice items created by this payment plan. This is the setting Guidewire recommends.
- No alignment for installment dates does not enable invoice alignment.

See also

- “Ensuring Installments are Distributed Evenly” on page 164.

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	
Payment Interval	Monthly
Policy Level Billing	
Fix Bill Date/Due Date	Bill Date
Account/Agency Billing	
Item Placement Cutoff Date	Invoice Bill Date
Make last invoice by # days before policy expiration date	Billed 30

- **Payment Interval** determines the invoicing frequency, such as monthly or quarterly. The setting determines the invoice stream that contains the policy's invoices.
- **Policy Level Billing - Fix Bill Date/Due Date** is used only for accounts that use policy-level billing. During invoice creation, this field determines whether the event date of the first periodic installment is used as the invoice bill date or the invoice due date. For accounts that use account-level billing, there is a similar field on the **Account Details** screen.
- **Account/Agency Billing - Item Placement Cutoff Date** defines the invoice cutoff date for accounts with account-level billing or agency billing.
- **Make Last Invoice** and **by # days before policy expiration date** define the optional blackout window.
 - **Make Last Invoice** must be set to *Billed* or *Due*. The setting determines whether the policy period invoices must be billed or become due before the blackout window.
 - **by # days before policy expiration date** determines the length of the blackout window.

After invoices are generated for a given policy period, an end user can modify the policy period's payment schedule by selecting a different payment plan. If the new payment plan has the same payment interval and the same blackout window settings, BillingCenter does not create a new invoice stream. Instead, it simply re-slices the charges as needed and places the resulting invoice items on invoices in the existing invoice stream. For policy-level billing, BillingCenter does not create a new invoice stream if the only change in the payment plans is the Fix Bill Date/Due Date setting. For account-level and agency billing, BillingCenter does not create a new invoice stream if the only change in the payment plans is the Item Placement Cutoff Date.

See also

- “[Payment Interval](#)” on page 149
- “[Invoice Dates](#)” on page 171
- “[Invoice Cutoff Dates](#)” on page 172
- “[Blackout Windows](#)” on page 173

Invoicing Fees and Equity Settings

Invoicing Fees	
Fee Amount	
Skip Fee for Down Payments	Yes
Equity Settings	
Enable Equity Warnings	Yes
Min # Equity Days	30

The **Invoicing Fees** section specifies invoice fees.

- **Fee Amount** specifies the amount to charge for each invoice.
- **Skip Fee For Down Payments** specifies whether to skip the invoice fee for invoices that contain only a down payment invoice item and no installment invoice items.

The **Equity Settings** section defines the handling of equity warnings.

- **Enable Equity Warnings** specifies whether to show a warning message when a change will cause an equity violation. Warning messages can be overridden at the policy level by setting the policy's **Enable Equity Warnings** field to **No**.
- **Min # Equity Days** specifies the threshold for preferred equity in days. A change to any invoice that results in the equity dropping below this threshold will trigger an equity warning.

See also

- “Invoicing Fees” on page 173
- “Equity Warnings” on page 174

Creating Payment Plans Manually

1. Click the **Administration** tab.
2. Select **Actions** → **New Payment Plan** to view the **New Payment Plan** wizard.
3. On the **New Payment Plan** step, fill all required fields and any applicable optional fields. Select **Next** to proceed to the **Installment Treatment** screen.
4. On the **Installment Treatment** step, fill in the required fields. If the **Invoice Down Payment For** field is set to **Only First Term** then payment plan overrides are automatically created for the Renewal and New Renewal billing instructions. Both overrides specify not to invoice a down payment when the policy is renewed.
5. Click **Finish** to create the payment plan.

Assigning a Payment Plan in BillingCenter

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

1. From the **Account** tab with the relevant account active, select **Actions** → **New Policy** to show the **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.

Assigning a Payment Plan Programmatically

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 Overrides

There may be situations where an insurer wants a payment plan to behave one way for most billing instructions, but a different way for a specific type of billing instruction. Payment plan overrides can be used to specify alternative settings that override the normal settings when the billing instruction is of a given type.

For example, an insurer may want to use a continuous billing approach for policies. In this approach, a down payment is required when a policy is issued but not when the policy is renewed. This can be accomplished with a payment plan that specifies a down payment and has an override for renewals that states no down payment is required.

Overrides can be defined for the following types of billing instructions:

- Audit
- Cancellation
- General
- New Renewal
- Policy Change (Overrides can be defined, but in most situations, they are ignored. See the description below for details.)
- Policy Issuance
- Premium Report
- Reinstatement
- Renewal
- Rewrite

A `PolicyChange` instruction does not typically use the payment plan to process charges. Instead, any charges on the instruction are proportionally divided to match the policy period's original existing charges. As a result, any payment plan override is irrelevant and effectively ignored.

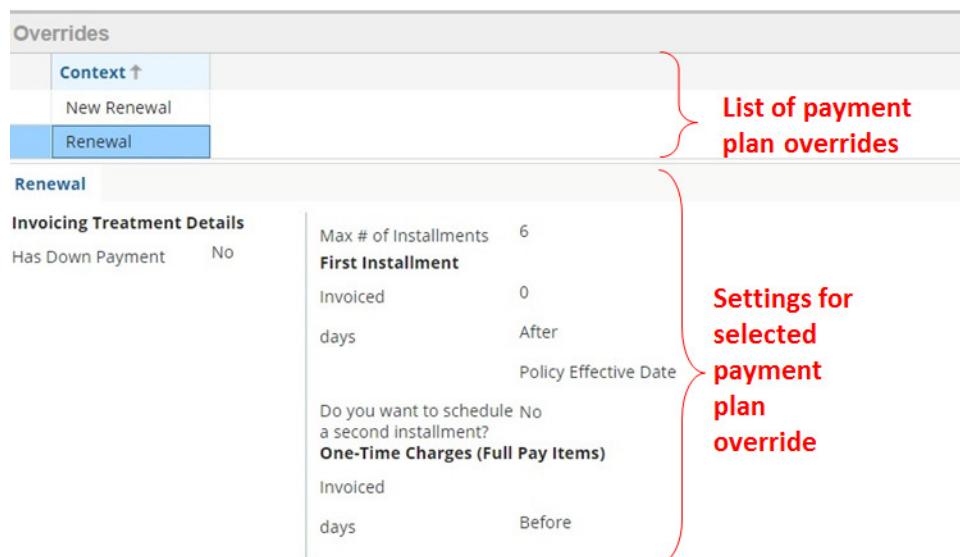
However, if either of the following criteria is met then a `PolicyChange` instruction's charges are processed according to the payment plan, and the instruction's payment plan overrides are applied.

- The billing instruction includes a payment plan modifier.
- The policy period has no existing charges that can be matched to the instruction's new charges.

A payment plan override can override the following items.

- Pro rata charges
 - Whether there is a down payment, its percentage, and when it is invoiced
 - Maximum number of installments
 - When the first installment is invoiced
 - Whether the first installment is invoiced out of sequence and, if so, when to invoice the second installment
- One-time charges
 - When to invoice the charge

Payment plan overrides are listed at the bottom of the payment plan screen. The override information is divided into two sections: a list of transaction types that have a payment plan override and the override settings for a particular transaction type. Click a transaction type in the list to view its override settings in the section below the list.



Adding a Payment Plan Override

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**. The override will be applied to subsequently executed billing instructions.

Removing a Payment Plan Override

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** to remove the selected overrides.
4. Save your changes by clicking **Update**. The override will not be applied to subsequently executed billing instructions.

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.

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 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.

Payment interval	Related account settings
Monthly	<ul style="list-style-type: none">• Monthly – Anchor date of the month
Every Other Month	
Quarterly	
Every Four Months	
Every Six Months	
Every Year	
Every Other Year	
Every Week	<ul style="list-style-type: none">• Weekly – Anchor date is Day of the Week
Every Other Week	<ul style="list-style-type: none">• Every Other Week – Anchor date is every other week
Twice Per Month	<ul style="list-style-type: none">• Twice a Month – First anchor date of the month• Twice a Month – Second anchor date 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 also

- “Converting Pro Rata Charges into Invoice Items” on page 160.

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.

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.

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 following criteria are met.

- 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 the following criteria are met.

- 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.

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.

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 to achieve the following goals.

- 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.

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 following behavior occurs.

- The account-level payment schedule interval becomes the smallest interval of the underlying policies. For example, two underlying policies, one with a quarterly payment interval and one with a monthly payment interval, 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.

Editing 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.

1. From the **Policy** tab with the relevant policy active, select **Payment Schedule** in the Sidebar to view the payment schedule.
2. Click the **Edit Schedule** button.
3. 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.
4. 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.
5. 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.
6. Select the desired payment plan from the **New Payment Plan** drop-down list.
7. Click **Execute** to accept the new payment plan. The policy invoice items will be recalculated based on the selected settings.

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

Charge Invoicing Process

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 153
- “Overview of the Charge Invoicing Objects” on page 153
- “Overview of the Charge Invoicing Steps” on page 155
- “Charge Invoicing Steps” on page 156
- “Additional Options for Charge Invoicing” on page 165

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

Overview of the Charge Invoicing Objects

The charge invoicing process involves several objects. During the process, some objects are created or modified either directly or indirectly. Other objects specify how the process is executed. The following objects are created or modified.

- The account, which owns:
 - A policy period
 - An invoice stream
 - A set of invoices
 - A set of invoice items
- The billing instruction, which owns:
 - A set of one or more charges

The following objects specify how to execute the charge invoicing process.

- The charge pattern of each charge
- The account's billing plan
- The policy period's payment plan

The Account and Its Objects

The account is the primary owner of objects created by the charge invoicing process. It owns one or more policies as well as the invoice streams and invoices for those policies.

An invoice stream is a container that manages a set of invoices for one or more policies. The invoice stream is responsible for scheduling its invoices with a regular cadence. For example, a given invoice stream might schedule its invoices to be billed every month on the 15th of the month.

An invoice stream can be associated with a single policy. This occurs when the account uses policy-level billing. Each policy is assigned its own invoice stream and its own set of invoices.

An invoice stream can be associated with one or more policies. This occurs when the account uses account-level billing. In this case, policies that use the same payment interval share a single invoice stream. For example, suppose an account with account-level billing has three policies. Two of them are invoiced monthly and the third is invoiced weekly. The account will have two invoice streams: a monthly stream (for the first two policies) and a weekly stream (for the third policy). When multiple policies share the same invoice stream, a single invoice can contain charges from multiple policies.

An invoice is an itemized bill requesting payment for one or more charges for a policy. For policy-level billing, each invoice applies to exactly one policy. For account-level billing, an invoice can apply to one or more policies.

The Billing Instruction and Its Objects

A billing instruction is a set of charges sent from an external policy administration system that identifies billing requirements for a specific policy period.

A charge is a cost related to either a policy period or an account that must be processed and tracked as an individual unit. The most common charges are for premium, taxes, and fees.

The charge invoicing process converts charges into invoice items. An invoice item is a line item that represents all or part of a charge. A given charge may be converted into a single invoice item, which is usually the case with one-time charges such as taxes or fees. Alternatively, a given charge may be converted into a set of invoice items, such as a down payment and installments. This is usually the case for pro rata charges such as premium charges.

The two fundamental attributes of an invoice item are:

- The amount
- The event date - This identifies the earliest date that the invoice item can be invoiced.

At the end of the charge invoicing process, each invoice item is placed on an invoice in the invoice stream. The invoice item's event date determines which invoice it is placed on.

Patterns and Plans

A set of patterns and plans dictate the way invoices and invoice items are created during the charge invoicing process.

Every charge has a charge pattern. The charge pattern identifies whether the charge must be a single invoice item or can be converted into a set of invoice items.

Every account has a billing plan, which identifies charge invoicing settings that are often shared across multiple accounts. The billing plan determines the lead time for invoices.

Every policy period has a payment plan, which identifies charge invoicing settings that are often shared across multiple policies, regardless of which account owns the policy. The payment plan is the primary guide for the charge invoicing process. It influences:

- Scheduling of one-time charges
- Scheduling of pro rata charges, specifically:
 - Whether there is a down payment and its percent
 - When to invoice the down payment
 - The maximum number of installments
 - When to invoice the installments
 - The point in time when invoicing of installments must be complete

Overview of the Charge Invoicing Steps

The charge invoicing process performs the following operations in the specified order.

- Retrieves or creates the account, policy period, and invoice stream.
- Converts one-time charges into invoice items.
- Converts pro rata charges into invoice items.
- Places the invoice items onto invoices.

BillingCenter Retrieves the Account, Policy Period, and Invoice Stream

The billing instruction always references an account. If the account exists in BillingCenter, BillingCenter simply retrieves it. If the account does not exist in BillingCenter, BillingCenter creates it.

The billing instruction always references a policy period. If the policy period exists, BillingCenter retrieves it. This is typical for billing instructions for policy change, cancellation, and reinstatement. If the policy period does not exist in BillingCenter, BillingCenter creates it. This is typical for billing instructions for issuance or renewal.

The billing instruction typically does not reference an invoice stream. BillingCenter determines whether it can use an existing invoice stream or it needs to create a new one.

In some cases, BillingCenter uses an existing invoice stream. For example:

- The billing instruction is for an existing policy, which will already have an invoice stream, OR
- The account uses account-level billing and the billing instruction is for a new policy with the same payment interval as an existing policy.

In other cases, BillingCenter must create a new invoice stream. For example:

- The account uses policy-level billing and the billing instruction is for a new policy.
- The account uses account-level billing and the billing instruction is for a policy with a payment interval that is different from the periodicities of the existing invoice streams.

Every invoice stream has a periodicity (such as monthly) and an anchor date (such as November 11). When an invoice stream is initially created, there is a set of potential invoices based on the periodicity and the anchor date. For example, an invoice stream with monthly periodicity and an anchor date of November 11 has potential invoices on November 11, December 11, January 11, and so on. BillingCenter does not create an actual invoice until there is at least one invoice item to place on it.

BillingCenter Converts One-Time Charges into Invoice Items

Typically, a one-time charge is converted into a single invoice item. The amount of the invoice item is equal to the amount of the charge.

The event date of the invoice item is determined by the policy period's payment plan. The payment plan specifies the event date using a reference date (such as the policy effective date) and an offset (such as "30 days before"). For example, a payment plan can state that every one-time charge has an event date of "30 days before the policy effective date". If the policy effective date is January 1, the invoice item event date is December 2.

BillingCenter Converts Pro Rata Charges into Invoice Items

Typically, a pro rata charge is converted into a set of invoice items. The most common approach is to convert the charge into a down payment and a set of installments.

For the down payment, the payment plan specifies the event date using a reference date and an offset, such as "21 days before the policy effective date". The down payment event date can be different from the event dates for one-time charges. The payment plan specifies the amount as a percent of the charge. For example, suppose a payment plan specifies that the down payment is 25%. If the charge amount is \$1000, the down payment is \$250.

For the first installment, the payment plan specifies the event date using a reference date and an offset, such as "10 days after the policy effective date". The remaining installments are determined by the payment interval of the payment plan. For example, if a payment plan has a monthly interval and the first installment is on January 11, the other installments are on February 11, March 11, and so on. The first installment event date can be different from the event dates for one-time charges and the down payment.

The payment plan identifies the maximum number of installments. For example, if a payment plan specifies a maximum of 5 installments, pro rata charges are broken down into at most 5 installments. There are other factors that can further limit the number of invoice items.

The amount of each installment is equal to the charge amount minus the down payment divided by the number of installments. If there is no down payment, the entire charge amount is divided by the number of installments. For example, suppose a payment plan specifies the down payment is 25%. If there are 5 installments and the charge amount is \$1000, then each installment is $[(1000 - 250) / 5]$, or \$150.

BillingCenter Places the Invoice Items on Invoices

Finally, BillingCenter places each invoice item on the first invoice in the invoice stream whose invoice date is on or after the invoice item's event date. For a given invoice item, if the target invoice is a potential invoice that does not exist yet, BillingCenter creates the invoice and puts the invoice item on it.

Charge Invoicing Steps

Charges

A charge is a cost related to either a policy period or an account that must be processed and tracked as an individual unit.

Categorizing Charges

Business analysts categorize charges using charge patterns. The role of a charge pattern is to identify the charge type and determine how BillingCenter handles the charge.

Every charge pattern specifies the following:

- Type - The broad type of charge pattern. In the base configuration, the following types are used during the charge invoicing process: Immediate, Pass Through, Pro Rata.
- Category - A more granular identification of the charge pattern's type, such as Fee, General, Premium, and Tax.
- Invoicing Approach - Whether the charge can be billed over multiple invoices or must be billed on a single invoice.

Determining Whether a Charge Must Be Billed As a Single Invoice Item

For each charge pattern, business analysts specify whether or not the charge must be billed as a single invoice item and, if so, when to schedule the invoice item. The Charge Pattern field that determines this is the **Invoicing Approach**. These are the possible options:

Invoicing Approach	Applicable Charge Pattern Categories	Bill as a Single Invoice Item?	Payment Plan Settings For Scheduling the Invoice Items
One-Time Charge	Immediate Pass Through Pro Rata Recapture	Yes	One-Time Charge settings
Single Down Payment	Pro Rata	Yes	Down Payment settings
Single Installment	Pro Rata	Yes	First Installment settings
Down Payment and Installments	Pro Rata	Let the payment plan determine the number of invoice items.	Down Payment and Installment settings

Most pro rata charges use the **Down Payment and Installments** approach. Most charges that are not Pro Rata use the **One-Time Charge** approach.

Single Down Payment and **Single Installment** are appropriate when multiple pro rata charges use the same payment plan, but you want to vary how the charge is divided. For example, suppose you have three types of charges. The first must be divided into a down payment and installments. The second must be a single invoice item scheduled as a down payment. The third must be a single invoice item scheduled as an installment. Other than this, the charges must be billed in the same way. You can implement this as three charge patterns that use the same payment plan.

- The first charge pattern has an invoicing approach of **Down Payment and Installments**. Charges that must be divided use this charge pattern.
- The second charge pattern has an invoicing approach of **Single Down Payment**. Charges that must be a single invoice item scheduled as a down payment use this charge pattern.
- The third charge pattern has an invoicing approach of **Single Installment**. Charges that must be a single invoice item scheduled as an installment use this charge pattern.

Converting Charges into Invoice Items

During the charge invoicing process, BillingCenter converts each charge into one or more invoice items. The process is simple for a charge that is converted into a single invoice item. The process is more complex for pro rata charges because BillingCenter provides several options to meet a variety of business scenarios.

Specifying When an Invoice Item Can Be Invoiced

Every invoice item has an event date. This identifies the earliest date that the invoice item can be invoiced. Depending on the invoices available, the invoice item is placed on an invoice with an invoice date that is same as or later than the item's event date.

The event date is influenced by settings in the policy period's payment plan. There is a group of settings for one-time charges, down payments, and installments. Every group follows the same pattern: a specified number of days before or after a reference date. In the user interface, these fields are labelled as the **Invoiced** and **Days** fields.

The reference date can be any of the following:

- Charge Date - The date BillingCenter receives the billing instruction that contains the charge.
- Charge Effective Date - The date the charge takes effect.
 - For issuance and renewals, this is the same as the policy effective date.
 - For other policy transactions, such as policy changes and cancellations, this is the date the policy transaction takes effect.
- Policy Effective Date - The date the policy takes effect.
- One Interval After Charge Effective Date - One unit of time after the charge effective date, where the unit is the Payment Interval of the payment plan. For example, for a monthly payment plan, the reference date is one month after the charge effective date.
- One Interval After Policy Effective Date - One unit of time after the policy effective date, where the unit is the Payment Interval of the payment plan. For example, for a monthly payment plan, the reference date is one month after the policy effective date.

For example, a payment plan can specify event dates using any of the following:

- 0 days after the charge date
- 5 days after the charge effective date
- 15 days before the policy effective date
- 7 days after one interval after the charge date (If the interval is monthly, then this is 7 days after one month after the charge date.)

Converting a Charge into a Single Invoice Item

Every one-time charge is converted into a single one-time charge invoice item. The amount of the invoice item is equal to the amount of the charge.

If a charge's charge pattern has an invoicing approach of Single Down Payment, BillingCenter converts the charge into a single down payment invoice item. The amount of the invoice item is equal to the amount of the charge. The event date of the invoice item is set using the payment plan's **Down Payment** settings.

If a charge's charge pattern has an invoicing approach of Single Installment, BillingCenter converts the charge into a single installment invoice item. The amount of the invoice item is equal to the amount of the charge. The event date of the invoice item is set using the payment plan's **First Installment** settings.

Options for Pro Rata Charges

BillingCenter provides several options for converting pro rata charges into invoice items. The options include:

- Whether to include a down payment
- Whether to include a first installment that is out of sequence with the remaining installments
- The payment interval of the installments
- The window of time in which installments must be billed or due

Down Payments and Out-of-Sequence First Installments

A payment plan can convert a pro rata charge into invoice items using one of three approaches:

- A down payment and a set of periodic installments
- A first installment that is out of sequence and a set of periodic installments
- A set of periodic installments only



A payment plan can specify either a down payment or an out-of-sequence first installment but not both.

When a down payment is used, its amount can be different from the amounts of the installments. For example, there can be a down payment for \$250 and a set of installments for \$150 each. In contrast, an out-of-sequence first installment is for the same amount as each periodic installment.

Both a down payment and an out-of-sequence first installment can be scheduled separately from the periodic installments. For example, if the periodic installments have monthly event dates on the 15th, a down payment or an out-of-sequence first installment can be scheduled on March 10th.

The Payment Interval of the Installments

Every payment plan specifies a payment interval. The primary purpose of this field is to identify the interval for the invoices.

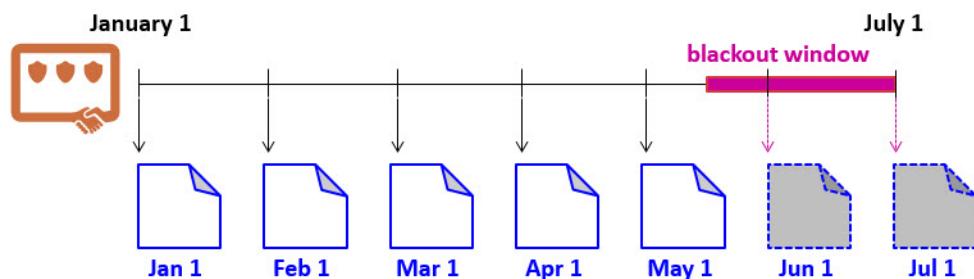
The possible settings for payment interval are:

- Every Week
- Every Other Week
- Twice Per Month
- Monthly
- Every Other Month
- Quarterly
- Every Four Months
- Every Six Months
- Every Year
- Every Other Year

The Window of Time

Every payment plan can limit the period of time for invoicing installments by specifying a blackout window. This is an optional time span at the end of a policy period. Installment invoice items for the policy period cannot be placed on invoices that fall within this window of time. The length of the window is specified in days. The payment plan specifies whether to exclude invoices that are billed during the blackout window or due during the blackout window.

The following diagram shows an example of a blackout window for a policy period that is effective from January 1 to June 1. The payment plan has a monthly interval. The first installment can be invoiced 0 days after the policy effective date. The last installment must be billed at least 45 before the policy expiration date.



With no blackout window, installments could be placed on seven invoices - one on the first of each month from January to July. But the June 1 and July 1 invoices fall within the 45-day blackout window. Therefore, the installments can only be placed on the invoices from January to May.

The size of the blackout window can be a negative number. This creates a negative blackout window. When a policy period has a negative blackout window, installments can be billed or due after the policy expiration date. For example, if the previous diagram had a blackout window of -45 days, then the blackout window would extend from July 1 to August 15. This would make it possible for installments to be placed on the invoices for June 1, July 1, and August 1. Be careful about using negative blackout windows, as they can have unusual behaviors, such as violating positive equity. However, this is a behavior BillingCenter can support.

Converting Pro Rata Charges into Invoice Items

When converting a pro rata charge into invoice items, BillingCenter performs the following operations in the order listed.

- Creates and schedules the down payment invoice item (if needed)
- Creates the installment invoice items
- Schedules the out-of-sequence installment invoice item (if needed)
- Schedules the periodic installments
- Sets the installment amounts

Creating and Scheduling the Down Payment

If a payment plan specifies a down payment, BillingCenter creates a down payment invoice item. The amount of the down payment is specified as a percent of the charge. For example, a payment plan may specify that a down payment is 25%. If the charge amount is \$1000, the down payment is \$250.

The event date of the down payment invoice item is determined by the **Down Payment Invoiced** and **Days** fields on the payment plan.

Creating the Installments

The number of installments is determined by two factors:

- The maximum number of installments specified in the payment plan
- The length of the blackout window

BillingCenter attempts to create the maximum number of installments. But it will not create installment items whose event dates would cause it to fall within the blackout window. Therefore, the number of installments is either the number of possible installments (taking the blackout window into account) or the maximum installments specified in the payment plan, whichever is less.

For example, suppose there is a policy period that is effective from January 1 to December 31. The payment plan specifies a maximum of 8 monthly installments. The first installment has an event date of the policy effective date. The blackout window is 30 days before the policy expiration date. In this example, BillingCenter creates 8 installments because all of them can be placed before the start of the blackout window.

Similarly, suppose there is a policy period that is effective from January 1 to June 30. The payment plan specifies a maximum of 8 monthly installments. The first installment has an event date of the policy effective date. The blackout window is 30 days before the policy expiration date. In this example, BillingCenter creates only 6 installments because the 7th and 8th installments would fall into the blackout window.

Scheduling the Out-of-Sequence Installment

If the payment plan specifies an out-of-sequence first installment, the first installment is scheduled separately from the periodic installments. The first installment's event date is determined by the **First Installment Invoiced** and **Days** fields. The periodic installments' event dates are determined by the **Second Installment Invoiced** and **Days** fields. The following table lists possible scenarios for when you would want to do this.

Business Requirement	Payment Plan Interval	Event Date of Out-of-Sequence First Installment	Event Date of Second Installment
Schedule the first installment based on receipt of the billing instruction and schedule the periodic installments monthly based on the policy effective date.	Monthly	0 days after the charge date	0 days after the policy effective date
Schedule the first and second installments to be 10 days apart, and schedule the remaining installments to be one month apart.	Monthly	0 after the policy effective date	10 days after the policy effective date
Schedule both the first and second installments for 15 days after the day the policy becomes effective, followed by weekly installments.	Weekly	15 days after the policy effective date	15 days after the policy effective date

Scheduling the Periodic Installments (Policy-Level Billing)

For accounts that use policy-level billing, the event date of the first periodic installment is determined by either:

- The **First Installment Invoiced** and **Days** fields, if there is no out-of-sequence first installment.
- The **Second Installment Invoiced** and **Days** fields, if there is an out-of-sequence first installment.

The event dates of the subsequent installments are one or more intervals after the first periodic installment. For example, assume the payment plan has a monthly interval and the event date of the first installment is March 10th. The event dates of the remaining installments are April 10th, May 10th, and so on.

Scheduling the Periodic Installments (Account-Level Billing)

For accounts that use account-level billing, the account has a set of **Invoices Fixed On** fields. These fields specify how invoices are set for monthly, weekly, every other week, and twice-per-month billing. For example, a given account can set monthly invoicing to the 19th.

The event date of the first periodic installment is the first date that:

- Is on or after the **First Installment Invoiced** and **Days** fields on the payment plan
- Matches the appropriate **Invoices Fixed On** field on the account

For example, suppose a policy has an effective date of January 1. The payment plan's **First Installment** fields are set to "0 days after the policy effective date". The account's **Invoices Fixed On** field is set to the 19th. In this case, the event date of the first periodic installment is January 19. This is the first date on or after the date specified by the payment plan (January 1) that matches the account's **Invoices Fixed On** field (the 19th).

If there is an out-of-sequence first installment, then the Second Installment **Invoiced** and **Day** fields are used instead of the First Installment fields.

The event dates of the subsequent installments are one or more intervals after the first periodic installment. For example, assume the payment plan has a monthly interval and the event date of the first installment is January 19. The event dates of the remaining installments are February 19, March 19, and so on.

Setting the Installment Amounts

The amount of each installment is:

[(the pro rata charge amount - the down payment amount) / the number of installments]

For example, if a pro rata charge is \$1000 and there is a \$250 down payment and five installments, each installment is [(1000 - 250) / 5], or \$150.

If the total amount to be distributed across the installments cannot be distributed evenly, BillingCenter always rounds down when determining the amount of each installment. This is to ensure that any remainder amount is always positive. The remainder is distributed based on the **ProRataCalculationRemainderTreatment** configuration parameter. The possible values are:

- **overweightFromFront** - Distribute fractional amounts starting with the first installment going forwards. For example, if there are 3 cents to distribute across 5 payments, 1 cent is assigned to each of the first 3 installments. This is the default in the base configuration.
- **overweightFromBack** - Distribute fractional amounts starting with the last installment going backwards. For example, if there are 3 cents to distribute across 5 payments, 1 cent is assigned to each of the last 3 installments.
- **overweightFirst** - Distribute the entire fractional amount to the first installment. For example, if there are 3 cents to distribute across 5 payments, all 3 cents are assigned to the first installment.
- **overweightLast** - Distribute the entire fractional amount to the last installment. For example, if there are 3 cents to distribute across 5 payments, all 3 cents are assigned to the last installment.

Invoices

An invoice is an itemized bill requesting payment for one or more charges for a policy. The fundamental fields of an invoice are:

- **Bill Date** - The date the invoice is sent to the payer
- **Due Date** - The date payment is expected to be received
- **Amount** - The total of all of the invoice items on the invoice

Every invoice belongs to and is managed by an invoice stream.

Creating Invoice Streams

An invoice stream is a container that manages a set of invoices for one policy or for one set of policies. The invoice stream is responsible for scheduling its invoices on a regular cadence. For example, a given invoice stream might schedule its invoices to be billed every month on the 15th of the month.

During the charge invoicing process, BillingCenter creates an invoice stream whenever invoices are needed and the appropriate invoice stream does not yet exist.

Policy-Level Billing Accounts

For accounts that use policy-level billing, every policy has its own invoice stream. Every invoice contains invoice items for a single policy.

BillingCenter creates a new invoice stream whenever it receives a billing instruction for a new policy. This is typical with billing instructions for issuance and new renewals (for policies not yet known to BillingCenter).

When BillingCenter receives a billing instruction for a policy that already exists, it adds the charges to the invoice stream that already exists for that policy. This is typical for billing instructions for policy changes and renewals for policies known to BillingCenter.

Account-Level Billing Accounts

For accounts that use account-level billing, policies with the same payment interval are placed on the same invoice stream. This means that some invoice streams are shared by multiple policies and any given invoice can have invoice items from multiple policies.

BillingCenter creates a new invoice stream whenever it receives a billing instruction for a new policy and there is no invoice stream with the same periodicity or a compatible periodicity. This is typical with billing instructions for issuance and new renewals (for policies not yet known to BillingCenter).

A policy period's invoicing frequency is defined by its payment plan's **Payment Interval** field. An invoice stream's invoicing frequency is defined by its **Periodicity** field. The following table lists all of the possible payment intervals for a policy period and the periodicity of the invoice stream that contains the invoices for the policy period. Note that all policies with a payment interval that is monthly or greater than monthly are placed on invoice streams with a monthly periodicity.

Policy Period Payment Interval	Invoice Stream Periodicity
Monthly	Monthly
Every Other Month	
Quarterly	
Every Four Months	
Every Six Months	
Every Year	
Every Other Year	
Twice Per Month	Twice Per Month
Every Other Week	Every Other Week
Weekly	Weekly

When an account uses monthly or twice-per-month invoicing, it can specify that invoicing happens on the 29th, 30th, or 31st. When a given month does not have a 29th, 30th, or 31st, the last day of the month is used. For example, assume an account has its monthly invoices billed on the 31st. The invoice bill dates are January 31, February 28 (or February 29 during leap years), March 31, April 30, and so on.

Creating Invoices

During the charge invoicing process, BillingCenter creates invoices whenever an invoice item needs to be placed on an invoice and the target invoice does not yet exist.

For example, suppose an account has a policy with a monthly invoice stream where invoicing occurs on the 15th. The invoice stream already has invoices for January 15, February 15, March 15, and April 15. BillingCenter receives a billing instruction for the policy with two one-time charges. One charge is converted into an invoice item with an event date of April 15. The other is converted into an invoice item with an event date of May 15. The first invoice item is placed on the existing April 15 invoice. The second invoice item must be placed on a May 15 invoice, but invoice exists for that date. During the processing of the billing instruction, BillingCenter creates the invoice and places the second invoice item on that invoice.

Specifying Invoice Lead Time

Lead times are specified in billing plans. Every account is associated with a billing plan. When creating invoices, BillingCenter uses the account's billing plan to set the lead time.

Billing plans have these lead time settings:

- **Lead Time** - Number of days between invoice billing date and payment due date for accounts that are not set to use an automatic payment method.
- **Non Responsive Lead Time** - Number of days between invoice billing date and payment due date for accounts that are set to use an automatic payment method.
- **Expressed In** - Whether lead time is calculated using calendar days or business days.

The account's **Payment Instrument** field determines whether the account is using automatic payment methods or not.

- When the field is set to **Responsive**, the insurer bills the account directly and the account must respond manually. In this case, lead time is determined by the **Lead Time** field.
- When the field is set to a specific payment instrument, such as a credit card, the insurer bills the payment instrument directly. The account does not need to provide a response. In this case, lead time is determined by the **Non Responsive Lead Time** field.

Determining Invoice Bill Dates and Due Dates

Note: Business analysts have the option to fix the generation of invoice dates around either the bill date or the due date. The following section assumes the default approach of generating invoice dates around the bill date.

Invoice Bill Dates

Invoice dates are set to the event dates of the periodic installments. For example, for a given policy, suppose the periodic installments have event dates of January 11, February 11, and so on. Invoices have bill dates of January 11, February 11, and so on.

It is possible for BillingCenter to receive a billing instruction for a new policy period with no pro rata charges, and therefore no periodic installments. In this case, BillingCenter determines what the event dates for the periodic installments would have been and uses these dates to set invoice bill dates.

Invoice Due Dates

The invoice due dates are determined by adding the appropriate lead time from the account's billing plan to the bill date.

For example, suppose an account's billing plan specifies a lead time of 10 days and the invoices have bill dates of March 12, April 12, and May 12. The invoice due dates are March 22, April 22, and May 22.

Assigning Invoice Items to Invoices

Every invoice item has an event date. This is the earliest date that the invoice item can be invoiced. Every invoice has a cutoff date. This is the date that is used to determine if an invoice item can be placed on the invoice or not. Every invoice item is placed on the first invoice whose cutoff date is on or after the invoice item event date.

By default, the invoice's bill date is used as the cutoff date. In some situations, business analysts have the option to set the cutoff date to the invoice due date.

Ensuring Installments are Distributed Evenly

When a pro rata charge is divided into installments, the expectation is that each installment will be assigned to a different invoice in consecutive order. For example, if a pro rata charge is split into four installments of \$100 each, the policyholder typically expects to receive one invoice every month with one \$100 installment. This behavior is known as invoice alignment.

Invoice alignment is enabled in the payment plan. This option is on by default for all new payment plans, and Guidewire recommends that invoice alignment be enabled for all payment plans.

Determining the Invoice Amount

The amount of an invoice is the sum of all of its invoice items. Note that there are some fees, such as installment fees, that BillingCenter does not add during the charge invoicing process but can add immediately before the invoice is sent. Thus, the amount of an invoice at the end of the charge invoicing process may or may not match the amount of the invoice that is sent to the policyholder.

Additional Options for Charge Invoicing

Changing Pro Rata Invoicing Depending on the Policy Transaction Type

There may be situations where business analysts want a payment plan to behave one way for most billing instructions, but a different way for a specific type of billing instruction. This can be done using a payment plan override. An override provides alternate settings for a given payment plan that apply to charges for a specific billing instruction type and override the normal settings on the payment plan.

For example, a business analyst may want to define a continuous billing approach for policies. For this approach, a down payment is required when a policy is issued but not when the policy is renewed.

Overrides can be defined for the following types of billing instructions:

- Audit
- Cancellation
- General
- New Renewal
- Policy Change
- Policy Issuance
- Premium Report
- Reinstatement
- Renewal
- Rewrite

A payment plan override can override the following:

- Pro rata charges
 - Whether there is a down payment, its percentage, and its event date
 - The maximum number of installments
 - The first installment's event date
 - Whether the first installment is invoiced out of sequence and, if so, when to set the event date for the second installment
- One-time charges
 - The invoice item's event date

Policy Change Overrides

If BillingCenter receives a **PolicyChange** billing instruction whose effective date matches the policy's date of issuance, BillingCenter interprets the new instruction as a correction to the newly issued policy. Therefore, it is considered part of policy issuance. In situations like this, any **PolicyChange** overrides on the payment plan are ignored.

For example, suppose the policyholder agrees to the quote for a policy and the PAS sends a *PolicyIssuance* billing instruction to BillingCenter. Later, the policyholder calls back to correct a postal code on the policy. The postal code change causes the premium to increase, and the increase is sent to BillingCenter as a *PolicyChange* billing instruction. Because the effective dates of the two billing instructions are the same, BillingCenter ignores any *PolicyChange* overrides.

Overriding Invoice Item Scheduling for Existing Policies

Some billing instructions pertain to policy periods that already exist in BillingCenter. This includes billing instructions for policy changes, cancellations, and reinstatements. In some situations, the insurer may not want the resulting invoice items to be scheduled as normal. For example, suppose there is a policy change billing instruction with a single charge for a small amount of money. The insurer may not want the charge broken into installments. It may prefer that the entire charge is billed as a single invoice item on the next invoice.

Billing instructions for existing policy periods can optionally specify a special handling instruction. This instruction overrides the way in which invoice items for the charges are usually scheduled.

These are the special handling options in the base configuration:

- Bill immediately - Convert the charge into a single down payment invoice item. If there is a planned invoice whose bill date is today, place it on that invoice. Otherwise, create a new invoice with a bill date of today and place the item on that invoice.
- Bill on next invoice - Convert the charge into a single down payment invoice item. Place it on the next invoice to be billed.
- Hold for final audit - Hold all charges on this billing instruction for Final Audit.
- Hold for final audit (all unbilled items) - Hold all charges on this billing instruction for Final Audit and hold all unbilled items on the policy period for Final Audit.

Special handling instructions come from the external policy administration system (PAS). They are either selected manually by an underwriter using the PAS or automatically by the integration code that sends the billing instruction from the PAS to BillingCenter.

Billing Someone Other Than the Policy Owner

Every policy period is associated with an account. The account owns the policy and is covered by the coverages on the policy.

Every charge has a default payer. This is the account that is responsible for paying the charge. Typically, the default payer is the account that owns the policy. But for any given charge, a billing instruction can identify someone other than the policy owner as the default payer. For example, suppose there is a shipping company with three different regions. Each region has its own commercial auto policy and is responsible for paying the premium for that policy. But, the company is responsible for paying all taxes for all policies. Thus, each region has its own account with its own policy and pays the premium charges for the policy. There is a fourth account for the company, and it is the default payer for the tax charges from each region's policy.

Invoice items are always placed on invoices in invoice streams owned by the account that must pay for the charge. Thus, it is possible for a single billing instruction to be converted into invoice items that go into different invoice streams.

Scheduling Invoices Based on Invoice Due Dates

By default, the charge invoicing process is modeled around invoice bill dates. This means:

- The invoice bill date is determined first. The due date is determined by adding lead time to the bill date.
- When assigning invoice items to invoices, the invoice bill date is used as the cutoff date.

However, BillingCenter provides options for modeling portions of the charge invoicing process around due dates.

Fixing Billing on Due Dates - Policy-Level Billing

By default, PolicyCenter uses the event dates of the periodic installment invoice items to determine invoice bill dates. For example, assume a set of periodic installment invoice items have event dates of January 11, February 11, and so on. The invoices will have bill dates of January 11, February 11, and so on.

The business analyst can specify on the payment plan that invoicing is fixed around due dates. When this is done, the event dates of the periodic installment invoice items determine the due dates of the invoices. The bill dates are determined by subtracting the lead time from the due dates of the invoices.

Fixing Billing on Due Dates - Account-Level Billing

By default, PolicyCenter uses the account's Invoicing Fixed On dates to determine invoice bill dates. For example, if a given account has monthly invoicing set on the 11th, its invoices have bill dates of January 11, February 11, and so on.

The business analyst can specify on the account that invoicing is fixed around due dates. When this is done, the account's Invoicing Fixed On dates determine the due dates of the invoices. The bill dates are determined by subtracting the lead time from the invoices.

Fixing Invoice Item Cutoff Dates

For accounts that use policy-level billing, the cutoff date is always the invoice bill date.

For accounts that use account-level billing or agency billing, a business analyst can specify that the cutoff is either the invoice's bill date or due date. The date to use is specified by the payment plan's Item Placement Cutoff Date field.

Disabling Invoice Alignment

When a pro rata charge is divided into installments, the expectation is that each installment will be assigned to a different invoice in consecutive order. For example, if a pro rata charge is split into four installments of \$100 each, then the policyholder expects one invoice every month with one \$100 installment. This behavior is known as invoice alignment.

Invoice alignment is a behavior of a payment plan. When it is enabled, a single source is used to generate both invoice dates and invoice item event dates for periodic installments. The fact that both sets of dates are coming from a single source ensures that installment invoice items are distributed evenly.

- For policy-level billing accounts, both sets of dates are determined by the payment plan.
- For account-level billing, both sets of dates are determined by the account's **Invoicing Fixed On** fields.

Invoice alignment is enabled in the payment plan. This option is on by default for all new payment plans, and Guidewire recommends that invoice alignment be enabled for all payment plans.

It is possible to disable invoice alignment. This can be appropriate for insurers on an earlier release of BillingCenter without invoice alignment who are now upgrading to a later release of BillingCenter with invoice alignment. In this situation, the insurer may have built custom logic around the non-alignment behavior that they wish to preserve.

Determining Invoice Item Event Dates Without Invoice Alignment

When invoice alignment is disabled, invoice item event dates are determined by the payment plan. This is true for both policy-level billing accounts and account-level billing accounts. The event date of the first periodic installment is determined by either:

- The First Installment **Invoiced** and **Days** fields, if there is no out-of-sequence first installment.
- The Second Installment **Invoiced** and **Days** fields, if there is an out-of-sequence first installment.

The event dates of the subsequent installments are one or more intervals after the first periodic installment. For example, assume the payment plan has a monthly interval and the event date of the first installment is January 10th. The event dates of the remaining installments will be February 10th, March 10th, and so on.

Determining Invoice Bill Dates Without Invoice Alignment

When invoice alignment is disabled, invoice bill dates are determined by the account's **Invoices Fixed On** fields. This is true for both policy-level billing accounts and account-level billing accounts. For example, assume an account has the **Invoices Fixed On** monthly field set to the 10th. The bill dates of the invoices are January 10th, February 10th, March 10th, and so on.

Misaligned Installments

When invoice alignment is disabled, invoice item event dates and invoice dates are determined by separate sources. This can lead to situations where a single invoice has either two installment items for the same pro rata charge, or no item for the charge.

For example, assume there is an account that has monthly invoicing fixed on the 30th, or the last day of the month if the month has fewer than 30 days. There is a policy with an effective date of January 31st, which falls one day after the monthly invoicing date. In addition, the payment plan specifies that periodic installments begin 0 days after the policy effective date. Therefore, the event date for each invoice item is the 31st, or the last day of the month if the month has fewer than 31 days. (The down payment is not relevant to the example and has been omitted.)

The first installment invoice item has an event date of January 31. This is too late to be placed on the January 30 invoice, so it is placed on the next invoice – the February invoice. The second invoice item has an event date of February 28. This item is also placed on the February invoice. The same pattern occurs with the March and April invoice items. The result is that some invoices have two installments and some invoices have no invoice items and therefore are never created.

If an insurer chooses to disable invoice alignment and they do not have configuration code that addresses the issue, they may encounter situations of invoice misalignment.

Business Requirements That Cannot Be Met Through Patterns and Plans

Charge patterns, billing plans, and payment plans can address a variety of charge invoicing scenarios. However, there may be business requirements that cannot be met using these features alone. These business requirements may require configuration resources.

Charge Invoicing Plugins

Charge invoicing plugins are the primary resource for configuring the charge invoicing process. They are Gosu classes that execute code at various points in the charge invoicing process to modify the outcome. They can:

- Add charges.
- Create invoice streams and/or modify invoice stream selection.
- Create invoices and/or modify invoice bill dates and due dates.
- Create invoice items and/or modify invoice item amounts and event dates.

See also

- “Configuring the Charge Invoicing Process” on page 435 in the *Configuration Guide*.

Payment Plan Modifiers

Payment plan modifiers are an additional configuration resource. Each payment plan modifier is an object that overrides one or more settings in a payment plan. The base configuration includes several payment plan modifiers. For example:

- Down Payment Override - Overrides the down payment percent with a new value.
- Maximum Number of Installments Override - Overrides the maximum number of installments with a new value.

A billing instruction can include any number of payment plan modifiers. The settings in the payment plan modifiers apply only to that billing instruction.

In practice, payment plan modifiers are rarely necessary. The preferred method for altering payment plan behavior is to use charge invoicing plugins. Charge invoicing plugins have greater versatility and can address a wider range of business requirements.

See also

- “Payment Plan Modifiers” on page 449 in the *Configuration Guide*

chapter 18

Invoices

This topic discusses how BillingCenter processes 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 171
- “Ad Hoc Invoices” on page 175
- “Invoice Cycle” on page 175
- “Creating a New Invoice” on page 177
- “Changing Invoice Dates” on page 177
- “Changing the Payment Schedule” on page 177
- “Resending an Invoice” on page 177

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 Dates

Every invoice has two dates: a bill date (sometimes referred to as an invoice date) and a due date. The distance between these two dates is known as the lead time, which is specified on the account’s billing plan.

For accounts that use account-level billing, invoice dates are determined by the following account fields:

- The group of **Invoices Fixed On** fields, which specify dates or days of the week for monthly, weekly, biweekly, and twice per month billing.
- The account’s **Fix Bill Date/Due Date** field, which can be set to either **Bill Date** or **Due Date**.

When the **Fix Bill Date/Due Date** field is set to **Bill Date**, the **Invoices Fixed On** dates are treated as bill dates. The due dates are determined by adding the lead time to these dates.

When the **Fix Bill Date/Due Date** field is set to **Due Date**, the **Invoices Fixed On** dates are treated as due dates. The bill dates are determined by subtracting the lead time from these dates.

For example, assume an account has the following settings. The **Invoices Fixed On** monthly date is set to the 12th. The **Fix Bill Date/Due Date** field is set to **Bill Date**. The account's billing plan specifies a lead time of 10 days. In this case, invoices would have a bill date of the 12th and a due date of 10 days later, or the 22nd.

A billing plan can specify lead time to be calculated in calendar days or business days. It can also specify that payment is fixed on either the exact date, or the previous or next business day. These settings cause a small amount of variation between the billing plan's lead time and the actual number of days between an invoice's bill date and due date.

For accounts that use policy-level billing, invoice dates are determined by the installment event dates and the payment plan's **Fix Bill Date/Due Date** field.

- If the payment plan does not specify an initial out-of-sequence installment, the base date is the date that the first installment can be invoiced.
- If the payment plan does specify an initial out-of-sequence installment, the base date is the date that the second installment can be invoiced.

The payment plan's **Fix Bill Date/Due Date** field can be set to either **Bill Date** or **Due Date**.

- When it is set to **Bill Date**, the event date is treated as the bill date for each invoice. The invoice due dates are determined by adding the lead time to each bill date.
- When it is set to **Due Date**, the dates for the periodic installments are treated as due dates. The invoice bill dates are determined by subtracting the lead time from each due date.

For example, assume the following. The first periodic installment can be invoiced on the 12th. The payment plan's **Fix Bill Date/Due Date** field is set to **Bill Date**. The account's billing plan specifies a lead time of 10 days. In this case, invoices would have a bill date of the 12th and a due date of the 22nd, which is 10 days later.

Invoice Cutoff Dates

Every invoice has a cutoff date. The cutoff date determines which invoice items can be placed on the invoice. Invoice items are placed on the first chronological invoice whose cutoff date is on or after the invoice item's event date.

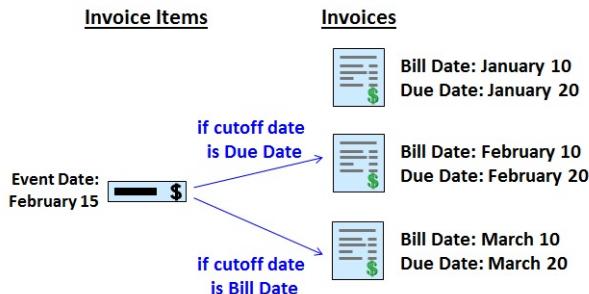
For accounts that use policy-level billing, the cutoff date is always the invoice bill date.

For accounts that use account-level billing or agency billing, the cutoff date is either the invoice's bill date or due date. The appropriate date to use is specified by the payment plan **Item Placement Cutoff Date** field.

The following diagram shows an example of how the cutoff date influences invoice item placement for account-level billing. The invoice item's event date is February 15. The available invoices have bill dates on the 10th and due dates on the 20th.

- If the payment plan's **Item Placement Cutoff Date** is set to **Invoice Bill Date**, then the invoice item is placed on the March invoice. This is the first invoice whose cutoff date (the March 10 bill date) comes on or after the invoice item's event date (February 15).

- If the payment plan's **Item Placement Cutoff Date** is set to **Invoice Due Date**, then the invoice item is placed on the February invoice. This is the first invoice whose cutoff date (the February 20 due date) comes on or after the invoice item's event date (February 15).

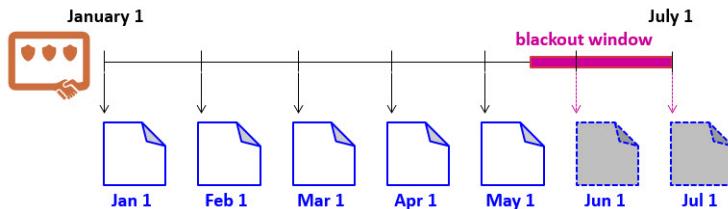


Blackout Windows

A blackout window is an optional time span at the end of a policy period when invoices cannot be billed or due. You can configure the length of the window in days, and you can specify whether all invoices must be billed before the blackout window or due before the blackout window.

The following diagram shows an example of a blackout window for a policy that is effective from January 1 to June 1. The payment plan has a monthly payment interval. The first installment can be invoiced 0 days after the policy effective date. The last invoice must be billed at least 45 before the policy expiration date.

With no blackout window, there could be six invoices—one on the first of each month from January to June. But the May 1 and June 1 invoices fall within the 45-day blackout window. Therefore, all invoicing must be done using only the invoices from January to April.



The payment plan's blackout window is one of the factors that determines the number of installments that a charge is split into. The other factor is the payment plan's **Max # of Installments** setting. The actual number of installments is either the number of possible installments (taking the blackout window into effect) or the **Max # of Installments**, whichever is less.

You can set the size of the blackout window to a negative number, which creates a *negative blackout window*. When a policy period has a negative blackout window, invoices can be billed or due after the policy expiration date. For example, if the previous diagram had a blackout window of -45 days, then the blackout window would extend from June 1 to July 15. This would make it possible to invoice the policyholder on May 1, June 1, and July 1. Insurers must be careful about using negative blackout windows, as they can have unusual behaviors, such as violating positive equity. However, this is a behavior BillingCenter can support if there is a business requirement for it.

Invoicing Fees

An optional invoicing fee can be assessed when an installment or down payment is billed. An invoice can have only one invoicing fee, regardless of the number of items it contains.

An invoicing fee is charged to a direct bill policy if all of the following criteria are met.

- The policy's payment plan specifies an invoicing fee amount.
- The policy's account billing plan does not suppress the invoicing fee.

- An invoice item for a pro rata charge appears on the invoice.
- The sum of all invoice items for a policy on the invoice is greater than zero.

An invoicing fee is charged to an agency bill policy if the policy's payment plan specifies an invoicing fee amount.

Equity Warnings

Equity is a measure of the amount of service provided by a policy period compared to the amount of service paid for that policy period. Ideally, the amount of service paid for is always equals to or greater than the amount of service provided.

Changing an invoice can result in an equity violation, which occurs when the amount of service provided exceeds the amount paid for. For example, changing an invoice due date to a later date can cause the insurer to provide service before it has been paid for.

For each payment plan, BillingCenter can provide a warning message when a user attempts to make a change that would result in an equity violation.

See also

- “Equity Warnings” on page 989.

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.

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.

See also

- See “Charge Invoicing Process” on page 153

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. For more details, consult the BillingCenter Data Dictionary.

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.

Code	Name	Description
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.

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.

Ad Hoc Invoices

Occasionally, BillingCenter creates an invoice that must be billed immediately. For example, suppose the policy administration system sends a policy change billing instruction with a request to bill the policyholder immediately for the new charges. BillingCenter checks to see if there is a planned invoice whose bill date is the current date. If there is not, BillingCenter creates a new invoice, sets the bill date to the current date, and puts the invoice items for the charges on that invoice.

When BillingCenter creates an invoice that must be billed immediately, it marks the invoice as being “ad hoc”. An *ad hoc invoice* is an invoice created to address a billing need outside of the normal invoicing cycle.

Ad hoc invoices have the following special behaviors:

- When BillingCenter receives a billing instruction with charges that do not need to be billed immediately, BillingCenter ignores ad hoc invoices. The invoice items for those charges are placed only on non-ad hoc invoices.
- Ad hoc invoices are not tied to an invoice stream's anchor date. When you change the anchor date of an invoice stream, the bill and due dates of the non-ad hoc invoices are adjusted accordingly. Ad hoc invoices retain their original dates.
- When an invoice's bill date arrives and the account has an invoicing hold, BillingCenter ignores ad hoc invoices. Instead, it moves the invoice items of the current invoice to the next planned non-ad hoc invoice.

Be aware that ad hoc invoices are not ignored when a policy period is changed to a new payment plan. When this occurs, BillingCenter gathers up the invoice items from both ad hoc and non-ad hoc invoices and re-slices them based on the new payment plan.

In the base configuration, users have the option to set a manually created invoice as ad hoc. For manual invoices, Guidewire recommends always setting the **Ad Hoc** field to No.

Determining If an Invoice Is Ad Hoc

In the base configuration, you can determine if an invoice is ad hoc from the account's **Invoices** screen. There is an **Ad Hoc** column that identifies if each invoice is ad hoc or not.

Invoice Cycle

The following section describe the 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 insurer 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 performs the following operations.

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 insurer, 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.

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 performs the following actions.

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 Details

The Invoice batch process updates the policy **Details** 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's **Details** screen, and the invoice status changes from **Billed** to **Past Due**.

Viewing Policy Transactions

On the **Policy** tab with the relevant policy active, select **Transactions** from the Sidebar to view the policy's accounting transactions.

Alternatively, click the transaction listed on the policy's **Details** screen.

Creating a New Invoice

1. From the **Account** tab with the relevant account active, select **Invoices** from the Sidebar to view the account's list of invoices.
2. Select an invoice stream for the new invoice from the **Invoice Stream** drop-down list. Every invoice must belong to an invoice stream. The **Create New Invoice** button is now enabled.
3. Click **Create New Invoice** to view the **New Invoice** popup.
4. Modify the invoice and due dates as needed.
In the base configuration, users have the option to flag a new invoice as ad hoc. For manual invoices, Guidewire recommends always setting the **Ad Hoc** field to **No**.
5. Click **Update**. BillingCenter creates a planned, fully paid invoice with empty **Amount** and **Due** fields.

Changing Invoice Dates

1. From the **Account** tab with the relevant account active, select **Invoices** from the Sidebar to view the account's list of invoices.
2. Select the invoice to modify.
3. Click **Change Invoice Dates**.
4. Modify either the **Statement Date** or **Payment Date** or both. A calendar widget is available.
5. Click **Update**.

Changing 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 also

- “Editing the Payment Schedule” on page 151

Resending an Invoice

1. From the **Account** tab with the relevant account active, select **Invoices** from the Sidebar to view the account's list of invoices.
2. Select the invoice to resend.
3. 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.

See also

- “Messaging and Events” on page 355 in the *Integration Guide*

Invoice Items

This topic presents an overview of BillingCenter invoice items and item assignment. A BillingCenter 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 179
- “Assigning a Payer” on page 180
- “Assignment and Reassignment of Charges and Items” on page 182
- “Charge and Item Assignment Use Cases” on page 182
- “Reassigning a Payer” on page 184
- “Reassigning a Payer Programmatically Using Domain Methods” on page 185
- “What Happens When You Reassign an Item” on page 185
- “Changing the Billing Method on a Policy” on page 188
- “Plugins for Configuring Billing Method Behavior” on page 189
- “Viewing Charge and Item Assignments” on page 189
- “Adjusting Invoice Amounts” on page 191
- “Invoice Item Detail Screen” on page 193
- “Item Events” on page 194

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.

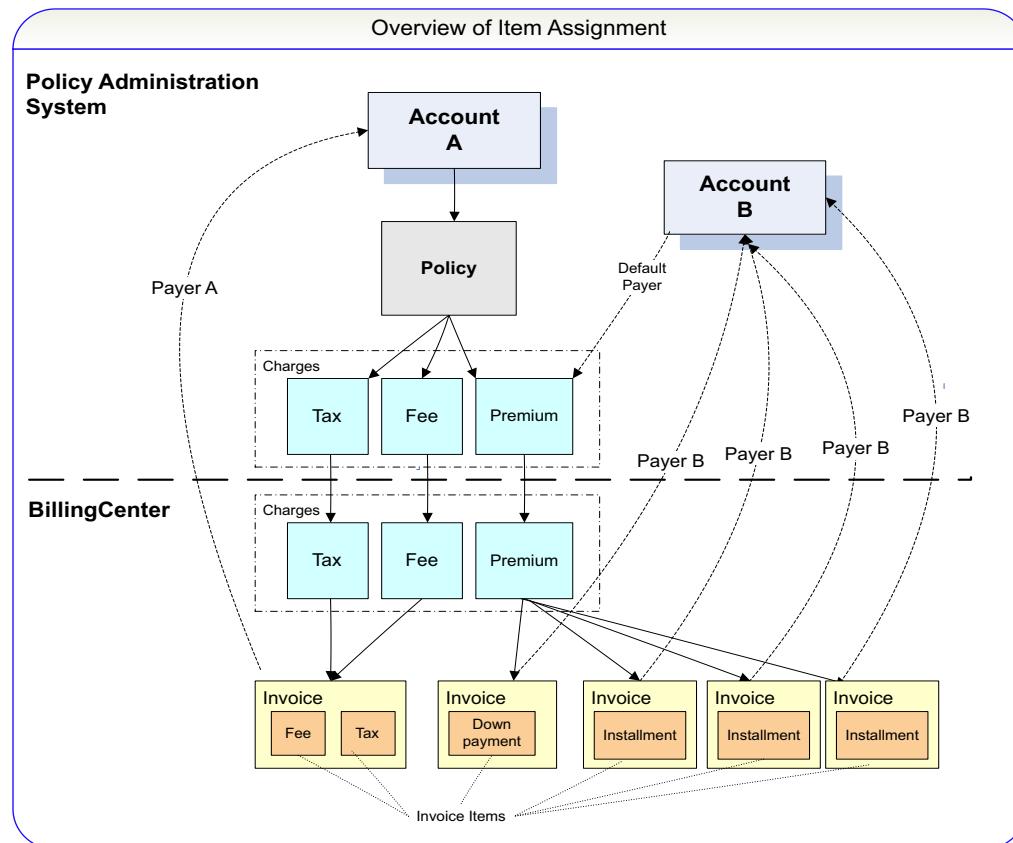
The following table summarizes these terms.

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.

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.

You can change the originally assigned payer of an item. However, you cannot change the owner of an invoice item.

Invoice items are assigned a payer. Payers are assigned either automatically or manually.

See also

- For information on how BillingCenter divides charges into invoice items, see “Charge Invoicing Process” on page 153.

Automatic Payer Assignment

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 109

Manual Payer Assignment

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.

1. In the **Account** tab with the policyholder’s account active, select **Actions** → **Add Policy** to view the **New Policy Wizard** for new policies. Alternatively, in the **Policy** tab with the relevant policy active, select **Actions** → **Change Policy** to view the **Policy Change Wizard** screen.
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.

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 <p>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.</p>	Enter the assignment in BillingCenter: <ul style="list-style-type: none"> • Use Assign Payer on the Account → Charges screen <p>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.</p>
Programmatically, using a method on: <ul style="list-style-type: none"> • Charge • Account • Producer 	Use a Gosu rule in the BillingInstructionPreupate rule set.	Use either of the following: <ul style="list-style-type: none"> • A Gosu business rule • A delinquency workflow

See also

- “[Assigning a Payer](#)” on page 180

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
- Convert 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 insurer.

Collection Agency Support

In the typical scenario, after a policy becomes past due, the insurer initiates delinquency proceedings. At some point in the process, the insurer decides that the insured is no longer willing, able, or likely to pay the past due amounts. The insurer 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 insurer 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.

Convert 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.

- An insurer becomes dissatisfied with a producer. In this case, the producer's policies can be converted to direct bill.
- An insured becomes dissatisfied with an insurer. In this case, the insured chooses to switch to agency bill.

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.

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.

WARNING Assigning a large number of charges or invoice items to an alternate overriding payer account can compromise performance. Guidewire recommends customers consult with their Guidewire account manager and/or their project manager before creating overriding payer accounts with thousands of charges. See “Optimizing Performance for Overriding Payers” on page 513 in the *Configuration Guide*.

To manually reassign a charge to either an account or a producer, perform the following steps.

1. From the **Account** tab with the relevant account active, select **Charges** from the Sidebar to view the **Charges** screen containing the account's list of charges.
2. Select the charge or charges that you want to reassign from the **Charges** detail view.
3. 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.

4. 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.
5. 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.

6. 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.
7. (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.
8. Click **Execute** to complete the process. The reassigned items appear on the new payer's invoice or agency bill statement.

Reassigning a Payer Programmatically 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 <code>Yes</code> , or if <code>OnlyForNonPlanned</code> and the item is not on a planned invoice, BillingCenter moves any portions of payments that were applied to the invoice items back to <code>Unapplied</code> .

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 insurer 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 performs the following actions.

- 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 performs the following actions.

- 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 items.

- 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.

Commission Remainder Items

BillingCenter manages the commission for each charge by associating it to the charge's invoice items. If a charge is mapped to a single invoice item, then the entire commission is associated to this invoice item. If a charge is divided into multiple invoice items, then a proportional amount of the charge's commission is associated to each invoice item. This approach simplifies internal commission management, particularly when commission is partially earned, partially reversed, or transferred to another producer.

Commission is always distributed across invoice items, regardless of whether it is earned all at once or on a pro rata basis.

In some cases, a charge's commission cannot be distributed evenly over the charge's invoice items. For example, suppose that a given charge is evenly divided into six invoice items. The total commission for the charge is \$100. \$99.96 can be evenly distributed across the invoice items, with \$16.66 associated to each invoice item. But there is \$0.04 of commission remaining.

If the commission cannot be distributed evenly, BillingCenter always rounds down when determining the amount to associate with each invoice item. This is to ensure that any remainder amount is always positive. The remainder is distributed based on the `CommissionRemainderTreatment` configuration parameter. The possible values are:

- `writeoff` - Write off the remainder. Unlike a policy write-off, which is money an insurer does not expect to receive, a commission write-off is money an insurer does not plan to give. This is the default in the base configuration.
- `overweightFromFront` - Distribute the remainder starting with the first commission earned event going forwards. For example, if there is 4 cents to distribute across 6 events, 1 cent is assigned to each of the first 4 events.
- `overweightFromBack` - Distribute the remainder starting with the last commission earned event going backwards. For example, if there is 4 cents to distribute across 6 events, 1 cent is assigned to each of the last 4 events.
- `overweightFirst` - Distribute the entire remainder to the first commission earned event. For example, if there is 4 cents to distribute across 6 events, all 4 cents are assigned to the first event.
- `overweightLast` - Distribute the entire remainder to the last commission earned event. For example, if there is 4 cents to distribute across 6 events, all 4 cents are assigned to the last event.

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.

- To fix an underwriting error
- To resolve a situation in which the agency has gone out of business
- To change the policy period's producer of record
- To address an issue in which the insured is not satisfied with the insurer's service

For example, an insured using direct bill processing sends payments directly to the insurer. If required, the insurer pays commission amounts to any involved producers. If the insured decides to work with an agent instead of directly with the insurer, 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 insurer 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 **Details** 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 **Details** 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 **Details** 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  
}
```

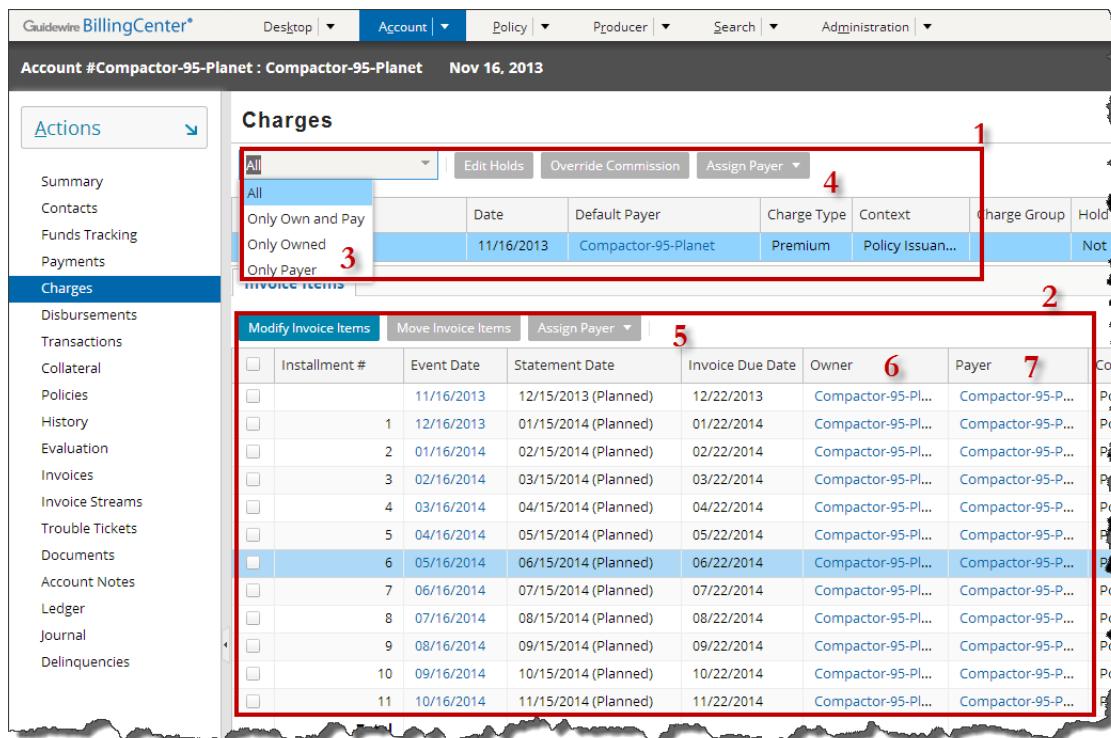
For example, you can configure the `getItemsAffectedByBillingMethodChange` method to filter out direct bill items that have already been reassigned to a payer that is not the account holder.

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.



The screenshot shows the BillingCenter application interface. The top navigation bar includes links for Desktop, Account, Policy, Producer, Search, and Administration. The main title is "Account #Compactor-95-Planet : Compactor-95-Planet Nov 16, 2013". On the left, a sidebar menu lists various account management options under the "Charges" category. The main content area displays two tables. The top table, titled "Charges", has columns for All, Date, Default Payer, Charge Type, Context, Charge Group, Hold, and Hold Reason. It includes filters for "All", "Only Own and Pay", "Only Owned", and "Only Payer". The bottom table, titled "Invoice Items", has columns for Installment #, Event Date, Statement Date, Invoice Due Date, Owner, Payer, and Comments. It includes tabs for "Modify Invoice Items", "Move Invoice Items", and "Assign Payer". Both tables have numbered callouts pointing to specific features: 1 points to the "Charges" table header; 2 points to the "Invoice Items" table header; 3 points to the "Only Payer" filter in the "Charges" table; 4 points to the "Assign Payer" button in the "Charges" table header; 5 points to the "Assign Payer" button in the "Invoice Items" table header; 6 points to the "Owner" column in the "Invoice Items" table; and 7 points to the "Payer" column in the "Invoice Items" table.

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

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.

Adjusting Invoice Amounts

Periodically, customer service representatives (CSR) receive requests from customers to adjust the amount of an invoice. For example, a customer who has just received their February invoice could call and ask if they can pay a smaller amount in February and a larger amount in March.

A CSR can adjust the amount due on an invoice. The approach to take depends on the status of the invoice.

Adjusting the Amount of a Billed or Due Invoice

For invoices that are billed or due, a CSR can reduce the invoice amount by reversing invoice items on the invoice. Because the invoice has already been sent, a CSR cannot add new invoice items to the invoice.

When an invoice item is reversed, BillingCenter automatically creates an offset invoice item on the same invoice. The amount of the offset invoice item is the negative value of the amount of the reversed invoice item. For example, assume there is an invoice item for \$53.00 on a billed invoice. When this invoice item is reversed, BillingCenter creates an offset invoice item on the invoice for -\$53.00.

BillingCenter requires that the amount of a charge must always equal the sum of its invoice items. Whenever a CSR reverses an invoice item, the CSR must add the reversed item's amount to one or more existing or new invoice items on one or more planned invoices. For example, assume that a CSR has reversed an invoice item that is \$53.00. The CSR must add an additional \$53.00 somewhere. The \$53.00 can be added to a single existing invoice item, to a single new invoice item, or to a combination of existing and/or new invoice items. These invoice items must be on planned invoices.

1. On the Account tab with the relevant account active, select **Charges** or **Policy → Charges** from the Sidebar to view the account's list of charges.
2. Select the relevant charge.
3. Click **Modify Invoice Items** to view the **Modify Invoice Items** screen.
4. For the invoice item to be reversed, click the **Reverse** link. BillingCenter automatically creates the offset invoice item.
5. Add the amount of the reversed invoice item to one or more existing or new invoice items on one or more planned invoices. You can add a new invoice item by clicking **Add** and entering the **Event Date**, **Type**, and **Amount**.
6. Click **Update** to complete the operation or **Cancel** to cancel the operation.

BillingCenter commits the change only if the amount of the charge is equal the sum of its invoice items.

When you click **Update**, BillingCenter debits and credits the policy period's Unearned, Billed, and Due T-accounts as needed.

Adjusting the Amount of a Planned Invoice

If a CSR wants to adjust the amount of planned invoices, the CSR can simply move, redistribute, or split an invoice item from one planned invoice to another.

A CSR can move an invoice item from one invoice to another. In this case, the invoice item is simply reassigned to a different invoice. The source and destination invoices must have the same payer. This is useful when the change in amount due is equal to the amount of one invoice item.

A CSR can redistribute the amount of an invoice item. This involves subtracting an amount from one invoice item and adding the same amount to another invoice item. This is useful when the change in amount due is less than the amount of any one invoice item.

A CSR can split an invoice item into multiple invoice items. This involves subtracting an amount from one invoice item and adding the same amount to one or more new invoice items. This is useful when the desire is to distribute the change in amount due across multiple invoices.

BillingCenter requires that the amount of a charge must always equal the sum of its invoice items. Thus, whenever a CSR subtracts an amount from one invoice item, the CSR must add the same amount to one or more other invoice items.

Moving an Invoice Item

1. On the **Account** tab with the relevant account active, select **Charges** or **Policy** → **Charges** from the Sidebar to view the account's list of charges.
2. Select the relevant charge.
3. Select the invoice item or items to be moved.
4. Click **Move Invoice Items** to view the **Move Invoice Items** screen.
5. Select the destination invoice.

The invoice item is moved as soon as the destination invoice is selected. There is no need to click an **Update** button. If the move results in a planned invoice with no invoice items on it, BillingCenter automatically deletes the planned invoice.

Note that invoices can contain invoice items for multiple policy periods. Consequently, the **Equity Violation** column shows violations only for the policy period of the moved items.

Whenever an invoice item is moved to another invoice, BillingCenter automatically performs any operations that are required as a consequence of the new location. These operations can create new entities and transactions. For example, the relocation of the item may affect a change to the commission eligibility. In this case, BillingCenter creates the necessary commission transactions.

Normally, new and modified entities trigger the execution of preupdate rules. However, new and modified entities that result from moving an invoice item to another invoice do not trigger preupdate rules. The reason for this behavior is that BillingCenter executes preupdate rules before it performs the automatic operations to handle the moved invoice item.

If policy-level billing with cash management is in effect for the account owner, moving an item to an invoice that is located on a different invoice stream has consequences. The cash management functionality applies incoming payments based on the item's invoice stream. If the item is moved to an invoice on a different invoice stream, the source of the item's payment also changes.

See also

- For details about policy-level billing with cash management, refer to “Billing Levels” on page 121.

Redistributing or Splitting an Invoice Item

1. On the **Account** tab with the relevant account active, select **Account** or **Policy** → **Charges** to view the list of the account's charges.

2. Select the relevant charge.

3. Click **Modify Invoice Items**. The **Modify Invoice Items** screen opens.

To redistribute an invoice item, subtract an amount from one invoice item and add the corresponding amount to one or more other items.

To split an invoice item, select an invoice item and subtract an amount from it. Then add a new invoice item by clicking **Add** and entering the **Event Date**, **Type**, and **Amount**.

4. Click **Update** to complete the operation or **Cancel** to cancel the operation.

You can also remove an invoice item. To do this, select the item and click Remove. The Unallocated field at the bottom of the screen informs you of the unallocated amount. You need to add this amount to another invoice item or items. If all invoice items are removed from a planned invoice, BillingCenter automatically deletes the planned invoice.

BillingCenter commits the change only if the amount of the charge equals the sum of its invoice items.

Invoice Item Detail Screen

BillingCenter tracks the events that happen to every invoice item. 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																																																																																																																
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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 all the invoice item events that are defined in the base configuration. Additional events can be defined in configuration.

• 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	

chapter 20

Agency Bill Charges and Invoicing

BillingCenter generates cycles for agency bill producers. The insurer can use either of two billing methods for agency bill producers: statement bill or account current. For both methods, the insurer 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 insurer. If using the account current method, the producer sends a promise to the insurer. Payment needs to be received by the end of each cycle.

This topic includes:

- “Agency Bill Statements and Cycles” on page 195
- “Generating an Agency Bill Cycle” on page 195
- “What Affects Agency Bill Cycles” on page 196
- “Agency Bill (Statement) Processing” on page 197

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 is associated with an agency bill policy, BillingCenter generates the first agency bill cycle with a list of **Planned** statements. The statements can be viewed from the **Producer** tab by selecting a specific producer and then choosing **Agency Bill Cycles** from the Sidebar. This shows the generated cycles for that producer. Select a statement from the list to view its 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. For details, see “Agency Bill Exceptions” on page 317.

Filtering Agency Bill Cycles

You can filter agency bill cycles by status and associated 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 (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 insurer 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.

Statement Bill Processing

Statement bill support allows BillingCenter to produce a statement for each producer when an agency bill relationship exists between the insurer and the producer. The statement provides details of how much the producer expects to pay the insurer for income generated from a set of agency bill policies associated with the producer.

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.

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.

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: The statement has not been billed, but will be at a future date.
- Open: The statement is billed.
- Closed: The statement has been paid.
- Past Due: The statement has not been paid.

Account Current Processing

Account current support allows the producer to provide details to the insurer 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.

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.

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 insurer prior to the date that payment is due. The insurer 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.

chapter 21

List Bill Accounts

A list bill account exhibits the following characteristics.

- 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:

- “Creating a List Bill Account” on page 199
- “Account-level Charges for List Bill Accounts” on page 200
- “List Bill Policies” on page 200

Creating a List Bill Account

List bill accounts are typically created programmatically when a policy administration system (PAS) sends account information to BillingCenter using the **BillingAPI** web service.

To create a list bill account in the BillingCenter user interface, perform the following steps.

1. From the **Account** tab, select **Actions** → **New Account** to show the **New Account** screen.
2. Set the **Type** field to **List Bill**.
3. Complete the remaining account information fields.
4. Add at least one **Payment Plan**. Additional payment plans cannot be added after the account has been created.
5. Add an **Invoice Stream** for each payment plan payment interval. Additional invoice streams can be added after the account has been created.
6. Click **Create Account**.

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 insurer. 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 different payment choices for separate payment types. As an example, assume a customer pays a mortgage on a monthly basis and a homeowner's insurance premium on a quarterly basis. In such cases, separate payment plans and invoice streams can be specified for the two payment types.

See also

- “Create an Account from an External System” on page 93 in the *Integration Guide*

Account-level Charges for List Bill Accounts

BillingCenter always uses a monthly stream for all account-level charges.

A list bill payer—especially one that has an established relationship with the insurer—rarely incurs account-level charges. However, if the list bill payer incurs an account-level charge, such as a late fee or a payment reversal fee, BillingCenter searches for an existing monthly invoice stream.

- If no monthly stream exists, BillingCenter creates one. The account-level charges are then placed on the new stream. The new monthly stream is used only for account-level charges. This situation is the only occasion when BillingCenter 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.

See also

- “Invoice Stream Plugin” on page 192 in the *Integration Guide*

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.

Viewing the Policies of a List Bill Account

From the **Account** tab with the relevant account active, select **Policies** from the Sidebar to view the account's list of policies.

The account is the assigned payer of the listed policies, but does not own any of the policies. List bill accounts do not own policies.

Assigning a large number of policies to a single list bill account can compromise performance. Guidewire recommends that customers who are considering list bill accounts with thousands of policies first consult with their Guidewire account or project manager.

See also

- “Optimizing Performance for List Bill Accounts” on page 511 in the *Configuration Guide*

Creating a New List Bill Policy

A new list bill policy is typically created when an external policy administration system (PAS) sends a billing instruction to BillingCenter. A list bill policy can also be created with the BillingCenter user interface.

1. From the **Account** tab with the relevant account active, select **Actions** → **Add Policy** to show the **New Policy Wizard**.
2. In the **Default Payer** section, set the **Billing Method** field to **List Bill**.
3. In the **Default Payer** section, set the **Overriding Payer Account** to a list bill account.
4. 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.
5. Enter the other required and relevant field values. Click **Next** to proceed to the wizard's next screen.
6. 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.
As with other policies, you can select an account other than the default payer list bill account as payer for a specific charge.
7. Click the **Finish** button to create the policy.

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.

See also

- “[Changing the Billing Method on a Policy](#)” on page 188

Changing a List Bill Policy's Payer Account

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. Invoice items can be either redistributed or reversed, depending on whether the payment plan is changing.
If there is a payment plan change, choose whether to **Redistribute** payments for all invoice items or only for billed or due invoice items.
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**.

Changing a List Bill Policy's Payment Plan or Invoice Stream

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.

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 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. Invoice items can be either redistributed or reversed, depending on whether the payment plan is changing.
 - If there is a payment plan change, choose whether to **Redistribute** payments for all invoice items or only for billed or due invoice items.
 - If the payment plan is not changing, choose whether to **Reverse** payments for all invoice items or only for billed or due invoice items.
13. Click **Finish**.

part VI

Payments and Distributions

chapter 22

Processing Direct Bill Payments

A payment is a sum of money sent to an insurer 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 205
- “Posting Direct Bill Payments” on page 207
- “Suspense Payments and Items” on page 210
- “Searching for Payments” on page 214
- “Moving Direct Bill Payments” on page 215
- “Reversing Direct Bill Payments” on page 215
- “Modifying Direct Bill Payments” on page 216

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.

Each insured account has one or more associated payment instruments, such as **ACH/EFT**, **Credit Card**, or **Responsive**. **Responsive** means that the insured will be sent an invoice, which requires a response in the form of a payment. 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.

The base configuration includes the following payment instruments. Additional payment instruments can be defined in configuration.

Payment Instrument	Description
ACH/EFT	Automated Clearing House/Electronic Funds Transfer. Debits the insured's bank account directly.
Credit Card	An authorized charge to the insured's credit card account.
Responsive	Insured is sent a billing invoice which requires a response in the form of a payment.

Enabling a Payment Instrument Type for an Account

- From the **Account** tab with the relevant account active, click **Details** from the Sidebar to view the **Account Details** screen.
- In the **Billing Info** section alongside the **Payment Instrument** field, click the **New** link to view the **New Payment Instrument** screen.
- Enter the desired field values for the new instrument. Select the **Payment Method** from the available methods in the drop-down list.
- Click **OK** to make the payment instrument type available for use by the account.

Specifying the Payment Instrument Type for a Direct Bill Payment

1. From the Account tab with the relevant account active, click **Actions** → **New Payment** → **New Direct Bill Payment** to view the **Direct Bill Payment** screen.
2. In the **Payment Instrument** field, select the instrument type from the drop-down list.
To make another type of instrument available for the payment, click **New** alongside the field to view the **New Payment Instrument** screen. Enter the desired field values for the instrument and click **OK**. Select the new instrument from the drop-down list.

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

1. From the Account tab with the relevant account active, select **Actions** → **New Payment** → **New Direct Bill Payment** to view the **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.
4. Select the **Payment Instrument**.
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.

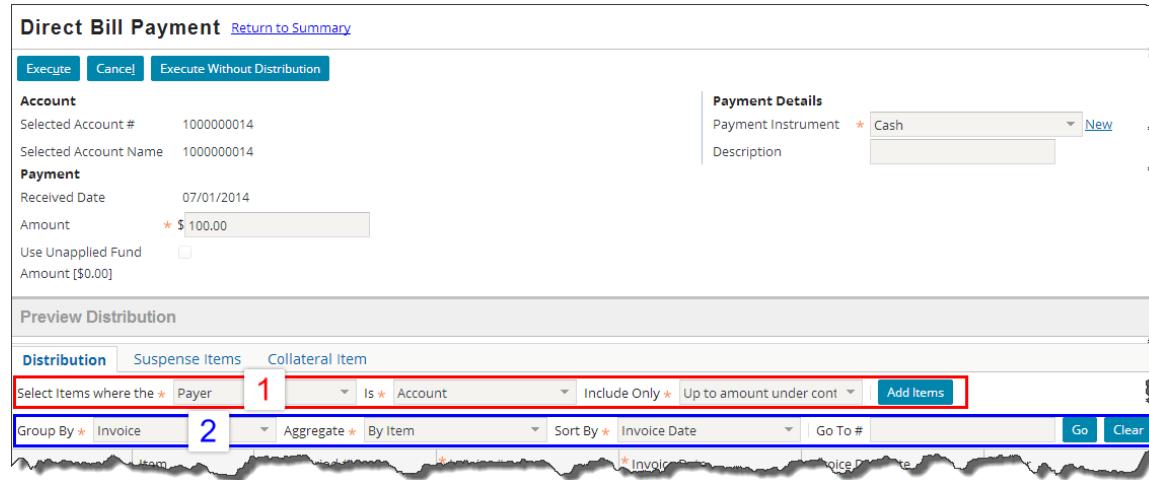
- Cancel to cancel the payment and exit the New Payment screen.

See also

- “Billing Levels and Unapplied T-Accounts” on page 124

Using Preview Distribution Toolbars

The New Payment screen has two toolbars which are highlighted in the following graphic.



The following numbered descriptions correspond to the highlighted toolbars in the graphic.

- This toolbar appears after you click **Override Distribution**. You can use it to display invoice items that are not part of the default distribution.
- 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:	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 subsequent is: field.
is:	Allows you to restrict the invoice items that are listed by payer or owner. The choices are Account, Direct SubAccounts, and Either This Account Or Direct SubAccounts.
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: criteria. 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 criteria. 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.

Toolbar Widget	Description
Aggregate:	Allows you to aggregate the listed invoice items. 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

Several payments can be entered 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. Payments can be entered for any combination of direct bill, agency bill, and list bill policy periods.

1. From the Desktop tab, select **Actions** → **New Payment** → **Multiple Payment Entry** to show the first screen of the **Multiple Payment Entry Wizard**.
A full page of lines are provided to enable quick entry of several payments. Add more lines by clicking **Add**.
2. For each payment:
 - a. Enter the account, invoice, or policy period. For agency bill payments, enter the producer. Search capabilities for each field are available to locate the entity to which the money applies.
Closed and archived policies periods can be referenced when entering a payment. If the policy period is archived, it must be retrieved before the payment can be distributed. If the policy period is closed, the payment will cause the period to be re-opened automatically.
 - b. Select the **payment Type**. In most cases, the type is **Payment**. However, if the account, policy, or producer is not known to BillingCenter, select **Suspense**.
 - c. Select the **Date**.
 - d. Select the **Payment Instrument**. For payment instruments of type **Check**, enter the check number in the **Check #** field.
 - e. Enter the amount.
 - f. Enter an optional note.
3. Click **Next** to show the **Confirm Multiple Payments** screen.
4. Verify that the total amount matches the total amount for the payments entered. Add more payments if needed.
5. Click **Finish**.

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.

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 210

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 `DirectBillPaymentFactoryAPI` 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 also

- “Get Invoice Items Methods” on page 111 in the *Integration Guide*

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

- “Billing Levels and Unapplied T-Accounts” on page 124

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 a Suspense Payment” on page 258
- “Reversing a Suspense Payment” on page 216
- To move a payment to an Unapplied T-account of type `SuspensePayment` (and thereby making it a suspense payment), see “Moving a Payment to Unapplied of `SuspensePayment`” on page 215.
- The behavior of suspense payment handling can be modified by configuring the `SuspensePayment` plugin. For further information, see “Suspense Payment Plugin” on page 207 in the *Integration Guide*.

Creating a Suspense Payment

To create a new suspense payment, perform either of the following operations.

- From the **Desktop** tab, select **Suspense Payments** to view the list of suspense payments. Click **New** to show the **New Suspense Payment** screen.
- From the **Desktop** tab, select **Actions** → **New Payment** → **Suspense Payment** to show the **New Suspense Payment** screen.
- From the **Desktop** tab, select **Actions** → **New Payment** → **Multiple Payment Entry** to show the **Multiple Payment Entry Wizard**. To make a particular payment a suspense payment, set the entry’s **Type** column to **Suspense**.

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.

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.

See also

- For information on using a web service to create a suspense payment, see “Make a Suspense Payment” on page 113 in the *Integration Guide*.

Editing a Suspense Payment

1. From the Desktop tab, select **Suspense Payments** to view the list of 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 **Edit** link of the suspense payment to edit. The **Edit Suspense Payment** screen is shown.
3. Edit the suspense payment fields as desired.
4. Click **Update**.

Applying a Suspense Payment

1. From the Desktop tab, select **Suspense Payments** to view the list of 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.
4. Click **Update**. The suspense payment is moved to an Unapplied T-account of the appropriate account, producer, or policy.

See also

- “Suspense Payment Batch Processing” on page 110 in the *System Administration Guide*
- “Agency Suspense Payment Batch Processing” on page 92 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.

Dividing a Payment into Paid and Suspense Items

1. From the Accounts tab with the relevant account active, select **Actions** → **New Payment** → **New Direct Bill Payment** to view the **Direct Bill Payment** screen.
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 **Details** screen in the **Unapplied Funds** section as **Suspense Amount**.

Releasing a Direct Bill Suspense Item from the Account Details Screen

A suspense item must be released before it can be distributed.

1. Go to the Account Details screen with the relevant account active. In the **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 a Direct Bill Suspense Item from the Search Screen

1. From the **Search** tab, select **Direct Bill Suspense Items** to view the **Search Direct Bill Suspense Items** screen.
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 to show the **Modify Payment** screen.
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**.

Releasing an Agency Bill Suspense Item from the Producer Screen

An Agency Bill suspense item must be released before it can be distributed.

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Suspense Items** from the Sidebar to show the **Agency Bill Suspense Items** screen.
2. Select the **Payment Items** tab.
3. Select each suspense item to release.
4. Click **Release**. The funds are released.

A saved Agency Bill suspense payment item has not been executed. Because the item has not been executed, no actual payment has been recorded in BillingCenter. In practice, releasing a saved suspense payment item retires and discards the saved suspense item. The released suspense item is no longer shown in BillingCenter.

Releasing an Agency Bill Promise Suspense Item

An Agency Bill Promise suspense item is a promise to pay, but the applicable policy is not known. Because the item is a promise, no actual payment has been received.

In practice, releasing a suspense item promise retires and discards the promise suspense item. The released suspense item is no longer shown in BillingCenter. Also, because the released item is discarded, the **Agency Bill Suspense Items** screen's **Filter by Status** control does not have an option for **Released** items.

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Suspense Items** from the Sidebar to show the **Agency Bill Suspense Items** screen.
2. Select the **Promise Items** tab.
3. Select each suspense item to release.
4. Click **Release**. The suspense promise is retired and discarded.

Searching for a Direct Bill Suspense Item

1. From the **Search** tab, select **Direct Bill Suspense Items** to view the **Search Direct Bill Suspense Items** screen.
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.

Searching for an Agency Bill Suspense Item

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Suspense Items** from the Sidebar to show the **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.

Searching for Payments

1. From the **Search** tab, select **Payments** to view the **Search Payments** screen.
2. Enter the appropriate search criteria.
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

- “Searching for a Direct Bill Suspense Item” on page 214.
- “Searching for an Agency Bill Suspense Item” on page 214

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.

Moving a Payment to Another Account

1. From the **Account** tab with the relevant account active, select **Payments** from the Sidebar to view the **Payments** screen and the account's list of payments. Alternatively, view the list of payments on the **Account Details** screen in the **Recent Payments Received** section.
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.
4. Click **Execute** to use the default distribution. Click **Execute Without Distribution** to execute the payment without distributing the funds. Click **Override Distribution** to modify the default distribution.

See also

- “[Posting Direct Bill Payments](#)” on page 207

Moving a Payment to Unapplied of SuspensePayment

1. From the **Account** tab with the relevant account active, select **Payments** from the Sidebar to view the **Payments** screen and the account's list of payments. Alternatively, view the list of payments on the **Account Details** screen in the **Recent Payments Received** section.
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 Details** screen to see that the payment has been reversed. To view the new suspense payment, select **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.

Reversing a Payment

1. From the **Account** tab with the relevant account active, select **Payments** from the Sidebar to view the **Payments** screen and the account's list of payments. Alternatively, view the list of payments on the **Account Details** screen in the **Recent Payments Received** section.
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.

Reversing a Suspense Payment

A suspense payment can be reversed, even if it has been disbursed.

1. From the **Desktop** tab, select **Suspense Payments** to view the list of 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

Modifying Payment Details

1. From the **Account** tab with the relevant account active, select **Payments** from the Sidebar to view the **Payments** screen and the account's list of payments. Alternatively, view the list of payments on the **Account Details** screen in the **Recent Payments Received** section.
2. Find the relevant payment and click **Actions** → **Modify Payment Details** to show the **Modify Payment** screen.
3. Modify the desired field values.
4. Click **Execute Without Distribution** to save the modifications.

Viewing Older Versions of Payment Details

If a given payment's amount or payment instrument have been modified, you can view the previous payment details.

1. From the **Account** tab with the relevant account active, select **Payments** from the Sidebar to view the **Payments** screen.
2. Select the relevant payment. If the selected payment has been modified, a **Previous Versions** tab is visible below the list of payments. A payment is considered to have a previous version only if the amount or the payment instrument was modified. Changes to the description only are not treated as new versions.
3. If visible, select the **Previous Versions** tab to view the list of all previous versions of the payment.

Modifying Payment Distributions

You can modify the distribution of a payment. This lets you 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.

1. From the **Account** tab with the relevant account active, select **Payments** from the Sidebar to view the **Payments** screen and the account's list of payments. Alternatively, view the list of payments on the **Account Details** screen in the **Recent Payments Received** section.
2. Find the relevant payment and click **Actions** → **Modify Distribution** to show the **Modify Payment** screen where a **Preview Distributions** section is visible.
3. Click **Override Distribution** to modify the distribution.

When a distribution is overridden, BillingCenter does not consider the result as a new version of the payment. For such payments, the **Previous Versions** tab below the list of payments in the **Payments** screen is not visible.

chapter 23

Processing 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 insurer for each cycle. Producers using account current processing send a promise to pay to the insurer 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 Payments Handling” on page 219
- “Agency Bill Promise Handling” on page 222

Agency Bill Payments Handling

In BillingCenter, agency bill payments are handled manually. This includes creating, viewing, modifying, and executing payments and handling exceptions.

See also

- “Agency Bill Exceptions” on page 317

Creating New Agency Bill Payments

A single payment or multiple payments can be entered.

To enter multiple payments, from the **Desktop** tab, select **Actions** → **New Payment** → **Multiple Payment Entry** to show the first screen of the **Multiple Payment Entry Wizard**.

To enter a single payment, from the **Producer** tab with the relevant producer active, select **Actions** → **New Agency Bill Payment** 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.

Payment distribution can be handled in various manners.

- 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.
- 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.

See also

- For details on using the **Multiple Payment Entry Wizard**, see “Entering Payments in Bulk” on page 209.
- For details about the **Agency Bill Payment** screen, see “Working with the Agency Bill Payment Screen” on page 220.

Editing Payment Details

From the **Producer** tab with the relevant producer active, select **Agency Bill Payments** from the Sidebar to view the list of the producer’s agency bill payments. Select a payment and click **Edit**. Click **Next** to advance to the **Agency Bill Payment: Distribution** screen.

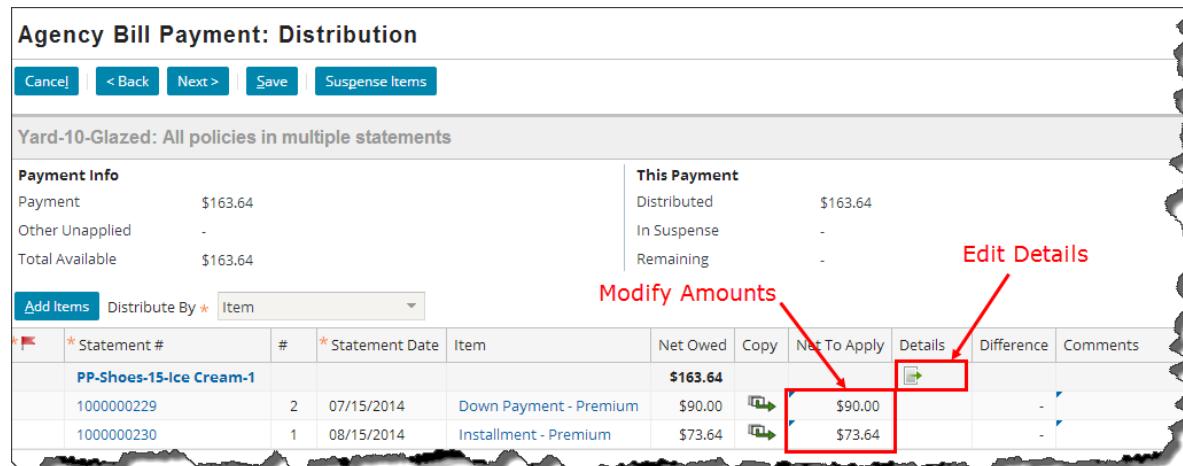
See also

- For details on the available distribution operations, see “Working with the Agency Bill Payment Screen” on page 220.

Working with the Agency Bill Payment Screen

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.



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 section titled **Yard-10-Glazed: All policies in multiple statements**.

Payment Info table:

Payment	\$163.64	This Payment	\$163.64
Other Unapplied	-	In Suspense	-
Total Available	\$163.64	Remaining	-

Modify Amounts table:

Add Items	Distribute By *	Item	Net Owed	Copy	Net To Apply	Details	Difference	Comments
*	Statement #	#	* Statement Date	Item				
\$163.64								
PP-Shoes-15-Ice Cream-1								
1000000229	2	07/15/2014	Down Payment - Premium	\$90.00		\$90.00	-	
1000000230	1	08/15/2014	Installment - Premium	\$73.64		\$73.64	-	

Annotations in red:

- A red arrow points to the **Edit Details** link next to the Remaining amount.
- A red arrow points to the **Details** column header in the table.
- A red box highlights the **Net To Apply** column.
- A red box highlights the **Details** column.

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.

Click **Next** to advance to the **Agency Bill Payment: Disposition** screen.

- Optionally, change the **Disposition** of any invoice item.
 - **Automatic** – Configuration code determines whether an exception occurs on the invoice item. (The Invoice Item plugin performs the determination.)
 - **Carry Forward** – Carries the invoice item forward to a future date. This disposition prevents an exception from occurring immediately.
 - **Exception** – Force an exception on the invoice item. The exception is created even if the item is fully settled.
 - **Write Off** – Writes off the unsettled value of the invoice item.

Click **Save** to complete the distribution at a later time. Click **Finish** to execute the payment distribution.

Reversing an Existing Agency Bill Payment

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Payments** to view the list of the producer's agency bill payments.
2. Select a payment and click **Reverse**.
3. Select the reason for the reversal.
4. Click **OK** to confirm the transaction.

Moving a Payment to a Different Producer

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Payments** to view the list of the producer's agency bill payments.
2. Select a payment and click **Move to Different Producer**.
3. Select the producer to receive the payment.
4. Click **OK** to confirm the transaction.

Splitting an Agency Bill Payment

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Payments** to view the list of the producer's agency bill payments.
2. Select a payment and click **Split**.
3. Select the producer and monetary amount to split. The payment can be split between two or more producers.
4. 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.

See also

- “[Suspense Payments and Items](#)” on page 210

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.

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 210
- “Agency Bill Exceptions” on page 317

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 also

- “Generating an Agency Bill Cycle” on page 195

Viewing Agency Bill Statements

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Cycles** from the Sidebar to view the list of the producer’s agency bill cycles.
2. Click on the **Statement #** column of the desired statement to view the statement in 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.

Viewing Agency Bill Promises

1. From the **Producer** tab with the relevant producer active, select **Agency Bill Promises** from the Sidebar to view the list of the producer’s promises.
2. Select either **Executed Promises** or **Saved Promises** to view the relevant transactions.

Creating New Agency Bill Promises

1. From the Producer tab with the relevant producer active, select **Actions** → **New Agency Bill Promise** to show the **Agency Bill Promise** screen.
2. Enter the promise's monetary amount and other required fields.
3. Click **Add Statements** and select the statements the promise will be distributed to.
4. 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.

5. Click **Next** to show the **Agency Bill Promise: Disposition** screen.

Agency Bill Promise: Distribution

Yard-10-Glazed: All policies in multiple statements

Promise Info				This Promise			
Promise	\$163.64	Distributed	\$163.64				
Other Unapplied	-	In Suspense	-				
Total Available	\$163.64	Remaining	-				
<input type="button" value="Add Items"/> <input type="button" value="Distribute By *"/> <input type="button" value="Item"/>				Edit Details Modify Amounts			
* Statement #	#	* Statement Date	Item	Net Owed	Copy	Net To Apply	Details
PP-Shoes-15-Ice Cream-1				\$163.64			
1000000229	2	07/15/2014	Down Payment - Premium	\$90.00		\$90.00	
1000000230	1	08/15/2014	Installment - Premium	\$73.64		\$73.64	

6. 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.
7. Click **Next** to continue to the **Agency Bill Payment: Disposition** screen which shows a summary of the distribution.
8. Click **Finish** to execute the promise distribution or **Save** to complete the distribution at a later time.

chapter 24

Commission Payments

The following topic covers BillingCenter commission payments.

This topic includes:

- “Producer and Commission Entities” on page 225
- “Producer Payments” on page 227

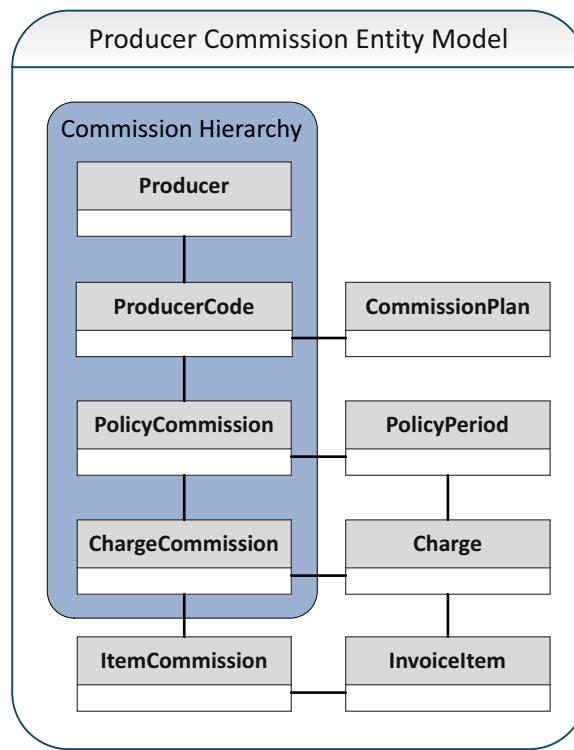
Producer and Commission Entities

In the simplest terms, commissions involve producers, policy periods, and charges related to the policy periods.

To expand the concept further, each producer has one or more producer codes. Each producer code has an associated commission plan that defines settings used to calculate the commission amount. The producer code also has one or more policy periods. Commissions can be earned on the charges associated with the policy periods.

Finally, a single charge can be billed as one or more commission-earning invoice items.

BillingCenter implements entities for each of the elements involved with commissions. A Producer entity can have one or more ProducerCode entities. Each ProducerCode has a single CommissionPlan. A ProducerCode can have one or more PolicyPeriod entities. Each PolicyPeriod has one or more Charges. Commissions earned from a PolicyPeriod are stored in a PolicyCommission entity. Similarly, commissions earned from a Charge are stored in a ChargeCommission entity. Finally, a Charge can be viewed as one or more InvoiceItem entities with each item earning an ItemCommission. The relationships between these entities is illustrated below.



The Producer, ProducerCode, PolicyCommission, and ChargeCommission entities form a four-tiered commission hierarchy. Each of these entities owns various T-accounts that are used to maintain commission payments. Note: The ItemCommission entity is not a T-account owner. It presents a fine-granularity view of the ChargeCommission entity, breaking the entity into its individual ItemCommission components. The following table describes the T-accounts owned by each of the entities in the commission hierarchy.

Commission Hierarchy	T-account (Type)	T-account Description
Producer	Commissions Advance (Asset)	The total amount of commission advance being maintained for the Producer.
	Commissions Payable (Liability)	The total amount of commission earned by the Producer. This amount is updated by the Producer Payment batch process.
ProducerCode	Commissions Expense (Expense)	The total amount of commission incurred by the ProducerCode. Commission amounts in this T-account pertain to the ProducerCode and do not have an associated charge. An example is an earned incentive or bonus related to the ProducerCode.
	Commissions Payable (Liability)	Earned commission is immediately transferred to the Producer, so this T-account always maintains a balance of zero.

Commission Hierarchy	T-account (Type)	T-account Description
PolicyCommission	Commissions Expense (Expense)	The total amount of commission incurred by the associated PolicyPeriod for a specific ProducerCode and role. Commission amounts in this T-account pertain to the PolicyPeriod and do not have an associated charge. An example is an earned incentive or bonus related to the PolicyPeriod.
	Commissions Payable (Liability)	Earned commission is immediately transferred to the Producer, so this T-account always maintains a balance of zero.
ChargeCommission	Commissions Expense (Expense)	The total amount of commission incurred by the associated Charge.
	Commissions Payable (Liability)	Earned commission is immediately transferred to the Producer, so this T-account always maintains a balance of zero.

Producer Payments

BillingCenter supports various types of producer payments.

- Automatic Payments
- Standard Payments
- Bonus Payments
- Advance Payments

Automatic Payments

Commission payments are typically paid automatically according to an automatic payment schedule. A producer's automatic payment schedule is defined by two fields on the **Producer Summary** screen: **Payment Frequency** and **Commission Day of Month**. The **Payment Frequency** specifies the payment interval at which to generate producer statements, such as monthly or quarterly. The **Commission Day of Month** field specifies the day of the month to generate the producer statement.

Earned commissions are calculated and processed whenever a transaction that generates an earned commission occurs. In addition, all earned commissions are immediately transferred to and accumulated in the Commissions Payable T-account at the Producer level of the commission hierarchy. Commissions earned at the lower levels do not remain at that level. Instead, they are transferred immediately to the Producer level. As a result, the Commissions Payable T-accounts at the ProducerCode, PolicyCommission, and ChargeCommission levels always maintain a balance of zero. Because of this behavior, earned commissions are maintained only at the Producer level in the Commissions Payable T-account. Finer granularities of earned commissions, such as at the policy period level or charge level are not available.

The Commissions Payable T-account of the Producer accumulates earned commissions until the producer's statement date. At that time, a producer statement is generated and the accumulated earned commission is actually paid. Producer statements are managed and generated by the Producer Payment batch process.

A scheduled producer statement can be skipped and never generated if the statement's payable amount does not meet a minimum threshold. However, exceptions exist that will force a producer statement to be created even if the minimum threshold is not met. One such exception is the existence of a bonus commission or advance commission payment that has been scheduled with the **Pay With Next Payment** setting. All entries on a skipped statement are carried over to the next scheduled producer statement.

See also

- The Producer Payment batch process is described in “Producer Payment” on page 534 in the *Configuration Guide*.

Standard Payments

Producers are typically paid automatically when the producer statement is generated. However, some or all of the commission due to a producer can be released before the producer statement is created by performing a manual standard commission payment.

A BillingCenter user with the appropriate permission can start a manual commission payment. To do this, navigate to the relevant producer and select **Actions** → **New Comm Payment** → **Standard**. The amount of the manual payment can be any value up to the total currently payable to the producer. The default is to pay all the currently payable commission. The standard commission payment is subsequently processed by the Commission Payment batch process.

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	0
PPC1	0
PPC2	0
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-2016	-50.00
PPC2	22-Mar-2016	50.00
PPC3	22-Apr-2016	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-2016	-
PPC2	22-Mar-2016	-
PPC3	22-Apr-2016	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 BillingCenter user with the appropriate permission can start a bonus commission payment. To do this, navigate to the relevant producer and select **Actions** → **New Comm Payment** → **Bonus**. The amount of the bonus payment is subject to the user's Bonus Commission authority limit. The bonus commission payment is subsequently processed by the Commission Payment batch process.

Bonus Payment Accounting

When BillingCenter executes a bonus payment, it first executes a **Producer Code Bonus Earned** transaction. It does this to add the amount of the bonus to the ProducerCode's Commissions Payable T-account balance. Then it moves the amount of the bonus to the Producer's Commissions Payable T-account, as happens with all payments.

Bonus Payment Scheduling

A bonus payment can be scheduled in the following manners.

Pay Immediately	The payment occurs immediately.
Pay On Date	The payment occurs on a specified date.
Pay With Next Payment	The payment occurs as part of the next scheduled producer statement. Producer statements are generated by the Producer Payment batch process.

Advance Payments

The purpose of an advance commission payment is to pre-pay a producer in anticipation of future business. Every advance has a finite lifespan determined by its **Maintain Until** field. When the advance expires, any remaining amount that has not been earned by the producer becomes owed by the producer back to the insurer. You can also think of an advance as a no-interest loan that must be paid back in full by some date.

A BillingCenter user with the appropriate permission can start an advance commission payment. To do this, navigate to the relevant producer and select **Actions** → **New Comm Payment** → **Advance**. The amount of the advance payment is subject to the user's Advance Commission authority limit. The advance commission payment is subsequently processed by the Commission Payment batch process.

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 Commissions Payable T-account 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 (Commissions Advance 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 insurer would send a payment of \$700.00 to the producer.

Advance Payment Scheduling

An advance payment is scheduled in the same way as a bonus payment.

See also

- “Bonus Payment Scheduling” on page 229

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 the Commissions Advance and Commissions Payable T-accounts 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-2016
A2	500.00	22-Mar-2016
A3	300.00	22-Apr-2016

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-2016, 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 insurer \$100.00.

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 233
- “Payment Allocation Plan Settings” on page 234
- “Maintaining Payment Allocation Plans” on page 234

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.

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, from the **Account** tab with the relevant account active, select **Actions** → **New Payment** → **New Direct Bill Payment**. To manually enter multiple payments, from the **Desktop** tab, select **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.

See also

- “Batch Processes That Distribute Payments” on page 238

Payment Allocation Plan Settings

Each payment allocation plan has the following settings.

- Priority – When creating a new account, determines the default payment allocation plan.
- 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.
- What order do you want to pay them in? – Priority of payment for eligible invoice items.

See also

- “The Default Payment Allocation Plan” on page 234
- “Filtering Invoice Items” on page 234
- “Ordering Invoice Items” on page 235

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 from the **Administration** tab by selecting by **Actions → New Payment Allocation Plan**.

The Default Payment Allocation Plan

From the **Administration** tab, select **Business Settings → Payment Allocation Plans** to show the list of 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.

See also

- “Writing an Invoice Item Filter” on page 451 in the *Configuration Guide*

Adding and Removing Invoice Item Filters

1. To add or remove filters for a new payment allocation plan, from the **Administration** tab, select **Actions** → **New Payment Allocation Plan** to create the 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, from the **Administration** tab, select **Business Settings** → **Payment Allocation Plans** to show a list of existing 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.

See also

- For information on ordering invoice items by using the Gosu programming language, see “Ordering of Invoice Items” on page 453 in the *Configuration Guide*.

Defining the Order of Payment

1. To define the payment order for a new payment allocation plan, from the **Administration** tab, select **Actions** → **New Payment Allocation Plan** to create the plan. Fill in the required fields, such as **Name** and **Effective Date**.
2. To define the payment order for an existing plan, from the **Administration** tab, select **Business Settings** → **Payment Allocation Plans** to show a list of existing 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.

Distributing Payments

This topic includes:

- “Distributing Direct Bill Payments” on page 237
- “Distributing Agency Bill Payments” on page 239

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.

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.

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.

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 also

- “Posting Direct Bill Payments” on page 207

Automatic Payment Distribution

If the payment is handled 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.

1. From the **Account** tab with the relevant account active, select **Actions** → **New Transaction** → **Transfer** to view the New Transfer Wizard.
2. Choose the **Source** for the transfer and click **Next**.
3. Notice the amount in the **Source Surplus** field which shows the amount available to transfer. This is the maximum amount that you can transfer.
4. Select either **Account** or **Producer** as the **Target**.
5. Search for and select a target account or producer.
6. Enter an amount and select a reason for the transfer.
7. If you want to add more target accounts or producers, click **Add**.
8. When you have finished entering the target accounts or producers, click **Next**.
9. 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.

Distributing Agency Bill Payments

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.

In BillingCenter, payments made to the insurer are tracked by BillingCenter as **AgencyMoneyReceived**. The producer keeps the commission and remits the net amount to the insurer. 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.

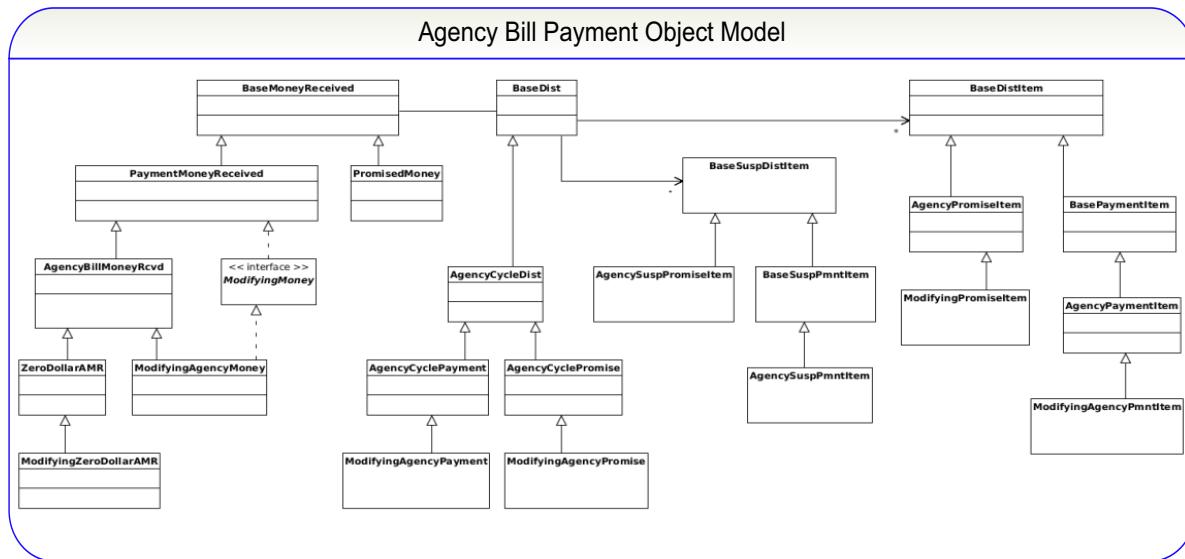
Agency Bill Payment Items

In BillingCenter, the payment items (net amount owed or promised to the insurer) 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.

Credit Handling

Credit is an amount the insurer 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 241
- “Steps in the Credit Handling Process” on page 242
- “Credit Allocation Examples” on page 243
- “Return Premium Plan Properties” on page 246

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.

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.

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.

See also

- “Positive Item Qualifier” on page 247

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.

See also

- “Configuring Credit Allocation” on page 471 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.

See also

- “Defining New Return Premium Plan Property Settings” on page 467 in the *Configuration Guide*

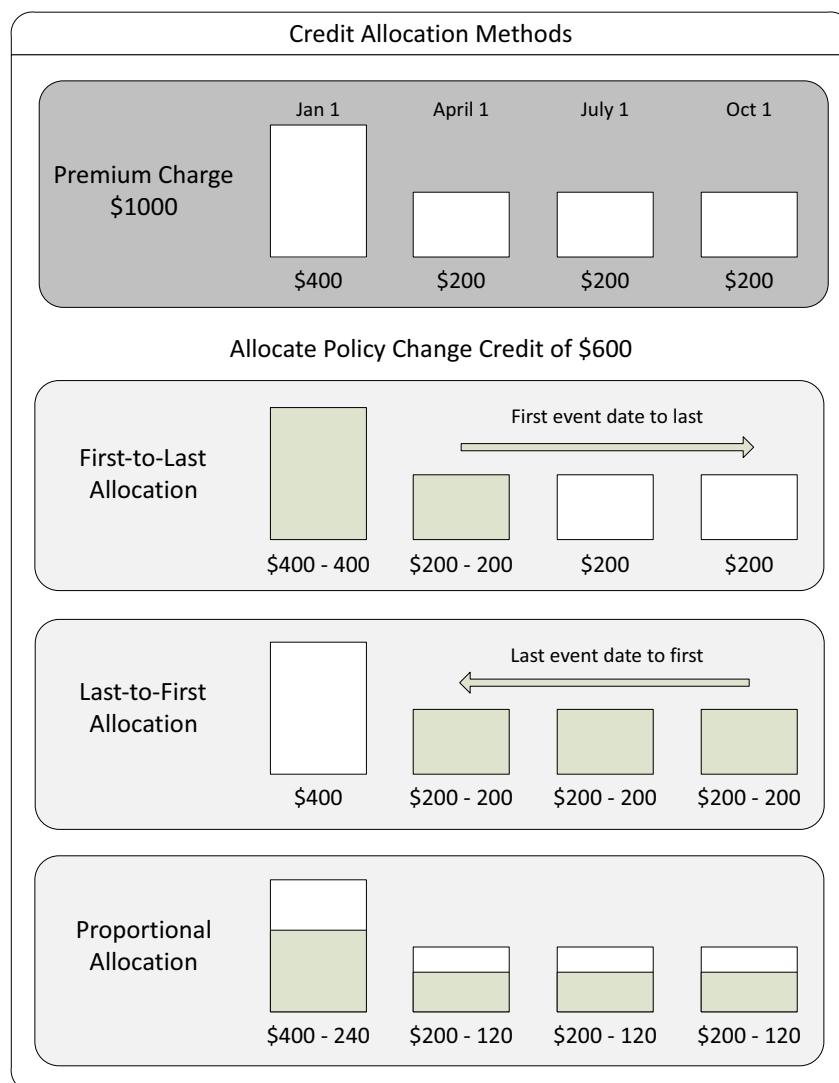
Credit Allocation Examples

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.

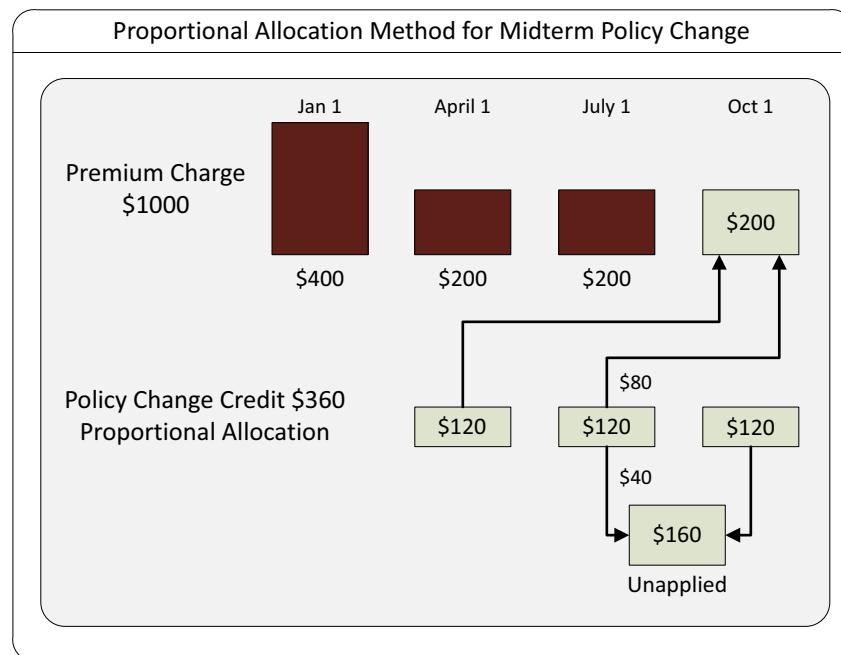


Midterm Credit Allocation

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.

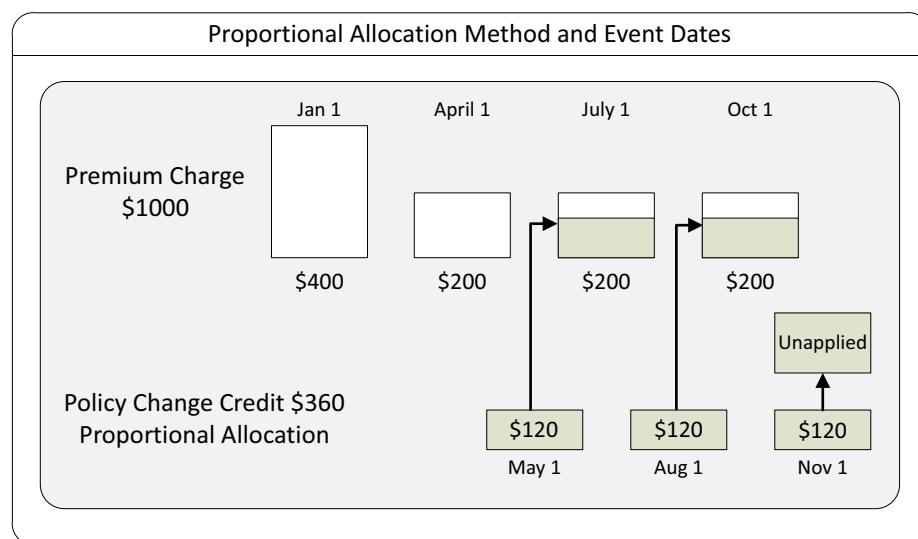
Note: The diagram does not show event dates for individual invoice items. To simplify the example, assume the event date for an invoice item matches the invoice date that contains the item. In actual practice, however, the invoice items on an invoice can include a range of event dates.

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 **Positive Item Qualifier** criteria settings supported in the base configuration are described below. The filter criteria applied by the **Positive Item Qualifier** setting can be customized.

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.
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.

See also

- The filtering operation is described in the section “Select Eligible Invoice Items” on page 242
- “Customize the Filter Criteria for Credit Allocations” on page 201 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 243.
 - **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 245.
- **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.

Credit Distributions

This topic includes:

- “Direct Bill Credit Distributions” on page 251
- “Agency Bill Credit Distributions” on page 252

Direct Bill Credit Distributions

A credit is an amount that an insurer 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 an insurer 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

Creating a Direct Bill Credit Distribution

1. From the **Account** tab with the relevant account active, select **Actions** → **New Payment** → **New Direct Bill Credit Distribution** to show the **New Credit Distribution** screen.
2. Click **Override Distribution** to show a toolbar for selecting, grouping, or filtering items to view or override.
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 **Execute** to complete the process.

The results of the credit distribution can be viewed on the account's **Payments → Credit Distributions** screen.

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.

Modifying a Credit Distribution

1. From the **Account** tab with the relevant account active, click **Payments → Credit Distributions** in the Sidebar to view the **Credit Distributions** screen.
2. Find the credit distribution and select **Actions → Modify Distribution** to view the **Modify Payment** screen.
3. Edit the fields of credit distribution as desired.
4. Click **Execute** to save the modified field values.

Reversing a Credit Distribution

1. From the **Account** tab with the relevant account active, click **Payments → Credit Distributions** in the Sidebar to view the **Credit Distributions** screen.
2. Select the credit distribution to reverse.
3. Select **Actions → Reverse** to reverse the select credit distribution.

Agency Bill Credit Distributions

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** screen 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.

Viewing Agency Bill Credit Distributions

1. From the Producer tab, make the relevant producer active.

2. Select Agency Bill Payment → Credit Distributions from the Sidebar to view the producer's Credit Distributions screen.

Creating a New Agency Credit Distribution

1. From the Producer tab with the relevant producer active, select Actions → New Agency Credit Distribution to show the Agency Bill Credit Distribution screen.
2. Click Add Statements to show the Add Statements screen.
3. Click Search to list the statements eligible to receive the credit distribution.
4. Check the appropriate statements and click Add Statements.
5. Click Next to view the Agency Bill Credit Distribution: Distribution screen.
6. Set the desired field values.
7. Click Next to view the Agency Bill Credit Distribution: Disposition screen.
8. Set the desired field values.
9. Click Finish to complete the distribution.

chapter 29

Ad Hoc Credits

Working with Ad Hoc Credits

An ad hoc credit allows an insurer 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 an insurer 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 an insurer 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

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.

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 Details** 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 **Goodwill Credit** T-account. If the credit reversal is over your authority limit BillingCenter creates an approval activity.

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 Details** screen to verify that the credit is gone.

chapter 30

Disbursements

A disbursement is a refund paid to a customer. If a disbursement's monetary amount exceeds the amount allowed for the user who created it, then the disbursement must be approved before being paid. An approved disbursement is ultimately processed and paid by the **Disbursement** batch process.

This topic describes how BillingCenter handles disbursements.

This topic includes:

- “Viewing Disbursements” on page 257
- “Creating a Disbursement” on page 257
- “Creating an Automatic Disbursement” on page 258
- “Disbursing a Suspense Payment” on page 258
- “Editing a Disbursement” on page 258
- “Approving or Rejecting a Disbursement” on page 258

Viewing Disbursements

1. From the **Account** tab with the relevant account active, select **Disbursements** from the Sidebar to view a list of past and pending disbursements.
2. Select a disbursement from the list to view its details.

Creating a Disbursement

1. In the **Account** tab with the relevant account active, select **Actions** → **New Transaction** → **Disbursement** to show the **Create Disbursement Wizard**. Alternatively, in the **Desktop** tab, select **Actions** → **New Transaction** → **Disbursement** and select the appropriate account.
2. Enter the disbursement’s details, including its monetary amount and payment date.
3. Confirm the disbursement.

For a manual disbursement created by a BillingCenter user, the maximum disbursement amount the user can approve is specified in the user's authority limit profile. If the disbursement exceeds the user's limit, an approval activity is created and assigned to the user's supervisor. The disbursement is not paid until it is approved by a user with the appropriate permission.

Creating an Automatic Disbursement

An automatic disbursement is created by the Automatic Disbursement batch process. The criteria used for creating an automatic disbursement are specified in the account's billing plan.

See also

- “Disbursements Settings” on page 140
- “Automatic Disbursement Batch Processing” on page 94 in the *System Administration Guide*

Disbursing a Suspense Payment

1. In the **Desktop** tab, select **Suspense Payments** to show a list of suspense payments. Set the appropriate filter so the desired suspense payment is shown.
2. Select the suspense payment to be disbursed.
3. Click **Create Disbursement** to show the **Create Account Disbursement Wizard**.
4. Enter the disbursement's details, including its payment date and payee information.
5. Confirm the disbursement.

Editing a Disbursement

1. In the **Desktop** tab, select **Disbursements** to show the list of disbursements. Set the appropriate filter so the desired disbursement is shown.
2. Click the link in the **Reason** column of the desired disbursement to show the **Disbursement** details.
3. Edit the **Disbursement Options** fields.
4. Click **Update** to save the modified disbursement.

Approving or Rejecting a Disbursement

1. In the **Desktop** tab, select **Disbursements** to show the list of disbursements. Set the appropriate filter so the desired disbursement is shown.
2. Click the link in the **Reason** column of the desired disbursement to show the **Disbursement** details.
3. Click **Approve** to approve the disbursement for processing. The user must have the appropriate authority limit permission.
4. Click **Reject** to reject the disbursement. The disbursement is not paid, but it remains in the account's disbursement history.
5. Click **Reject and Hold Future Automatic Disbursements** to reject the disbursement and create an open trouble ticket for the account. The hold prevents the account from paying any approved disbursement and creating new disbursements. The trouble ticket must be closed before the hold is released.

part VII

Billing Management Tools

chapter 31

Account Evaluation

BillingCenter can evaluate the financial quality of an account. The evaluation can be used to decide whether to renew a policy or account.

This topic includes:

- “Account Evaluation Overview” on page 261
- “Viewing the Account Evaluation” on page 261

Account Evaluation Overview

BillingCenter can evaluate an account using certain criteria. The evaluation is reflected in a rating value, such as Excellent, Acceptable, or Poor.

The account evaluation is determined by the following criteria.

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

The calculation of the evaluation rating can be configured by modifying the Account Evaluation Calculation plugin.

Viewing the Account Evaluation

From the **Account** tab, select **Evaluation** from the Sidebar to view the **Evaluation** screen.

The **Payment History** section displays the metric used to calculate the account evaluation rating.

The **Evaluation** section shows the rating that BillingCenter calculated for the account.

The **Delinquency History** section shows the policies that adversely affected the evaluation rating. The section lists the account's delinquencies or the policies that meet either of the following criteria.

- Delinquency has a start date which is within the past N days, where N is specified in the Account Evaluation Calculation plugin.
- Delinquency is currently active, in which case the start date is irrelevant.

To view details about a delinquency, click the hypertext link in the **Last Delinquency Event** column.

chapter 32

Account Funds Tracking

A service representative responding to a customer query often needs to make quick sense of the flow of funds through an account. Funds tracking provides a clear view of an account's monetary flow. It enables a customer service representative to view the history of where funds came from and how they were used.

Funds tracking in BillingCenter provides a foundation on which to expand. Configuration is typically necessary to meet the unique requirements of a particular installation.

By default, funds tracking is disabled.

This topic includes:

- “Funds Tracking Concepts” on page 263
- “Funds Tracking Behavior” on page 265
- “Enabling Funds Tracking” on page 267
- “Funds Tracking User Interface” on page 267

Funds Tracking Concepts

Funds tracking provides a view of the monetary flow within a BillingCenter account. It keeps track of the funds coming into an account and how the funds were distributed or disbursed.

Fund Sources

Monetary funds entering an account are called fund sources. Typical fund sources include payments, credits, and any transactions that add money to an Unapplied T-account.

Several types of transactions are fund sources.

Type	Description
Ad Hoc Credit	All types of ad hoc credits.
Collateral Drawdown	Money moved from the Collateral T-account to the Unapplied T-account.

Type	Description
Direct Bill Money Received	Direct bill payment.
Funds Use Reversal	Reversal of any fund-use transaction.
Payment Item Group	Money distributed to a group of invoice items. A payment item group is a fund source if the total of the invoice item amounts is zero or negative. If the total is positive, the group is a fund use.
Transfer In	Money transferred into the account, such as from another account or a producer.
Unapplied Fund Balance Forward	Created for each Unapplied T-account with a non-zero balance when funds tracking is initially enabled. If the T-account balance is positive, it is a fund source. If negative, then a fund use.

Fund Uses

Monetary funds distributed to pay charges or disbursed are called fund uses. Typical fund uses include paid invoice items, a disbursement, and any transaction that removes money from an Unapplied T-account.

Several types of transactions are fund uses.

Type	Description
Disbursement	Money disbursed to a payer.
Funds Source Reversal	Reversal of any fund-source type.
Negative Write-off	Money that the insurer is not going to refund to the payer.
Payment Item Group	Money distributed to a group of invoice items. A payment item group is a fund use if the total of the invoice item amounts is positive. If the total is zero or negative, the group is a fund source.
Transfer Out	Money transferred to a producer or another account.
Unapplied Fund Balance Forward	Created for each Unapplied T-account with a non-zero balance when funds tracking is initially enabled. If the T-account balance is negative, it is a fund use. If positive, then a fund source.
Collateral Transfer (<i>deprecated</i>)	For upward code compatibility with pre-7.0 releases. The collateral transfer transaction is deprecated. Use collateral payment items instead.

Allotting Fund Sources and Fund Uses

Funds tracking records the trail of incoming monetary fund sources to their final fund uses. Linking fund sources to their fund uses is called allotting. Allotting a fund source to its fund uses provides a complete view of the monetary funds through an account.

As an example of allotting fund sources and uses, assume the following transactions occur.

- A direct bill payment is received for \$100.
- The payment is distributed to a group of invoice item charges that total \$70.
- An ad hoc credit of \$50 is created.
- A disbursement of \$80 is created.

Without funds tracking, the only link maintained is between the \$100 payment and the \$70 of paid invoice items. There is no link between the remaining \$30 of the payment and its eventual combination with the \$50 credit to create the disbursement.

With funds tracking, the \$100 payment is allotted to all of its uses, including the paid invoice items and the disbursement. It is possible to see how the entire payment was used.

The links created between fund sources and fund uses are not used by BillingCenter outside of the funds tracking mechanism.

Funds tracking allots fund sources and fund uses by employing a simple first-in, first-out (FIFO) process. The oldest fund sources are allotted to the oldest fund uses until all sources or uses are allotted. If all fund uses are allotted, any remaining fund source is stored in an Unapplied T-account.

For many situations, the FIFO process produces the results that one would expect. However, configuration is required to handle unique scenarios that can occur in a particular BillingCenter installation. The allotting process is implemented in the Funds Tracking plugin.

The allotment operation is performed whenever the **Funds Tracking** screen is shown. As a result, the **Funds Tracking** screen always shows the latest tracking information. Allotment is also performed when the Allot Funds for Funds Tracking batch process is run.

See also

- “Funds Tracking Plugin” on page 216 in the *Integration Guide*

Payment Item Groups

A payment item group organizes related distribution items. Payment item groups simplify the view of fund sources and uses. Rather than showing each individual distribution item within a fund use, a group of items are shown as a single aggregated item.

A payment item group can be a fund source or a fund use, depending on the total amount of the paid items. If the sum of the items in the group is zero or negative, the group is a funds source. If the sum of the group items is positive, the group is a fund use.

A payment item group can be affected by the archiving of policy periods. When a policy period is archived, its distribution items are removed from the BillingCenter database. The missing distribution items are no longer listed in the payment item group. Similarly, archiving can freeze a non-archived distribution item so that it cannot be modified. If any distribution item in the payment item group is frozen, the `PaymentItemGroup` class's `ImpactedByArchiving` property is set to `true`.

The items contained in each payment item group can be configured by the Funds Tracking plugin.

See also

- “Funds Tracking Plugin” on page 216 in the *Integration Guide*

Funds Tracking Behavior

In many situations, the first-in, first-out (FIFO) behavior used by funds tracking to allot fund sources to fund uses produces the results that one would expect. However, situations exist where funds tracking does not produce the expected results. In such cases, configuration might be required.

This section describes some situations where the funds tracking behavior is not intuitive and configuration is necessary to achieve the desired results. In addition to these situations, each unique BillingCenter installation can have its own cases in which funds tracking would require configuration. Each installation must evaluate their individual funds tracking requirements and determine the appropriate configuration operations.

Funds Tracking Allotment Can Differ From the Actual Distribution

Situations exist where the funds tracking FIFO process does not accurately reflect the actual use of a fund source. Configuration is necessary to eliminate these situations.

Assume an account has Policy Period 1 and Policy Period 2 and cash management is not employed. Policy Period 1 has \$70 of invoice item charges. Policy Period 2 has \$40 of charges. The following situation describes how incoming payments are distributed outside of funds tracking.

1. A \$100 payment is received for Policy Period 1. All \$70 of charges are paid, leaving \$30 undistributed.
2. A \$200 payment is received for Policy Period 2. All \$40 of charges are paid, leaving \$160 undistributed.

The FIFO method used by funds tracking allots the same payments in a different manner.

1. A \$100 payment is received for Policy Period 1. All \$70 of Policy Period 1 charges are paid. The remaining \$30 is allotted to pay the Policy Period 2 charges so the entire \$100 payment is allotted. Policy Period 2 still has \$10 of charges remaining.
2. A \$200 payment is received for Policy Period 2. The remaining \$10 of charges are paid, leaving \$190 undistributed.

Understanding LIFO and FIFO

When redistributing multiple payments in a single operation, the order in which the payments are processed depends on whether funds tracking is enabled. If funds tracking is disabled, payments are redistributed on a last-in, first-out (LIFO) basis. If funds tracking is enabled, a first-in, first-out (FIFO) process is used. The following example demonstrates the difference between the two mechanisms.

Assume an account exists with a single policy. A January invoice for \$100 is billed. A \$100 payment is received, but is not distributed. Then a second \$100 payment is received, which is also not distributed. Finally, the money is distributed.

Using the FIFO process, the initial \$100 payment is processed first. It is applied to pay the January invoice. The second \$100 payment is applied to the planned February invoice. This is expected behavior.

Using the LIFO process, the second \$100 payment is processed first. It is applied to pay the January invoice. The initial \$100 payment is applied to the planned February invoice. The result is that the same invoices are paid, but the payment used for each invoice is the opposite of the expected behavior. Also, an undesired consequence occurs if the second payment is discovered to be a mistaken double entry and is appropriately reversed. The reversal of the second payment causes the invoice it was applied to—the billed January invoice—to become unpaid. The actual \$100 payment ends up being used for the planned February invoice.

With Funds Tracking Enabled, Payments Can Be Applied Twice

Funds can be distributed differently if funds tracking is enabled. The different distribution mechanism can result in the funds being distributed twice. Configuration is necessary to eliminate this situation.

Assume an account exists with a single policy having \$70 of invoice item charges. A \$100 payment is received, which is distributed to pay the \$70 charges. The remaining \$30 is disbursed, leaving a zero balance in the account's Unapplied T-account.

BillingCenter maintains links between a payment and its distribution to invoice item charges. However, BillingCenter does not maintain links between a payment and a subsequent disbursement. Therefore, in the current situation, BillingCenter is aware only that \$70 was distributed from the \$100 payment and \$30 remains undistributed.

To continue the scenario, a new \$50 payment is received, but is not immediately distributed. The undistributed \$50 payment is stored in the Unapplied T-account. If the money is redistributed now, the distribution differs based on whether funds tracking is enabled.

Scenario with Funds Tracking Disabled

If funds tracking is disabled, the payments are redistributed following a last-in, first-out (LIFO) process. The \$50 second payment was the last received payment. The amount to be distributed is the minimum between the Unapplied T-account balance and the amount of the undistributed payment. The Unapplied T-account has a \$50 balance and the second payment also has \$50 of undistributed money, so the amount distributed is \$50. The Unapplied T-account then has a zero balance.

The initial \$100 payment is then processed. The minimum between the Unapplied balance (zero dollars) and the amount BillingCenter believes is undistributed (\$30) is zero, so the distribution of the \$100 payment is left unchanged.

In this case, even though BillingCenter did not have an accurate picture of the uses of the payment, it still performed the expected distribution.

Scenario with Funds Tracking Enabled

If funds tracking is enabled, the payments are redistributed following a first-in, first-out (FIFO) process. The initial \$100 payment was received first. The amount to be distributed is the minimum between the Unapplied T-account balance (\$50) and the payment amount that remains undistributed, which BillingCenter believes to be \$30. Thus, the \$30 that has already been disbursed is distributed to pay invoice item charges. This double application of the payment requires configuration to eliminate. The Unapplied T-account balance is reduced to \$20.

The undistributed second \$50 payment is then processed. Only \$20 of the payment is distributed—the minimum between the \$20 Unapplied balance and the \$50 payment. The final Unapplied balance is zero.

Enabling Funds Tracking

Funds tracking can be enabled by a BillingCenter user who has the required permission.

See also

- “Funds Tracking” on page 314 in the *System Administration Guide*

Funds Tracking User Interface

1. In the Account tab with the relevant account active, select **Funds Tracking** from the Sidebar to view the **Funds Tracking** screen.

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

2. The **Funds Sources** tab lists the account's fund sources for each Unapplied fund. Select a fund source in the list to see how the 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	

3. Fund uses are listed in the **Funds Uses** tab on the **Funds Tracking** screen. Select a fund use in the list to view its fund sources.

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	

4. The payment item group for the fund use is referenced above the list of fund sources in the **Use of Funds** screen. Select the payment item group to show the individual items contained in the group.

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
1000000161	12/01/2013 (Planned)	12/15/2013	Coffee-192-Gemsto...	Down Payment	\$100.00	\$100.00
1000000162	01/01/2014 (Planned)	01/15/2014	Coffee-192-Gemsto...	Installment	\$90.00	\$25.00

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 269
- “Managing Premium Reporting Payments” on page 270
- “Premium Reporting Auditing” on page 271
- “Canceling Premium Reporting Policies” on page 271

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.

part VIII

Billing Administration

chapter 34

Delinquencies

This topic covers delinquencies and 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 Plans” on page 275
- “Assigning Delinquency Plans” on page 276
- “Delinquency Plan General Tab” on page 277
- “Delinquency Plan Workflow Tab” on page 279
- “Initiating Delinquencies” on page 281
- “Initiating Delinquencies from External Systems” on page 281
- “Tracking Delinquencies” on page 281
- “Creating Delinquency Holds” on page 282
- “How Delinquencies Affect Account Evaluations” on page 282
- “Equity Dating” on page 282
- “Direct Bill Delinquency” on page 283
- “Agency Bill Delinquency” on page 283

Delinquency Plans

Delinquency plans contain the rules that allow you to specify when to invoke the predefined events in an associated delinquency process.

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 types of fields: General fields and Workflow fields.

General Fields

The delinquency plan general fields 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.

Workflow Fields

The delinquency plan workflow fields specify the reasons that initiate a delinquency for a policy or an account, and the workflow and associated events for each delinquency reason.

See also

- “Delinquency Plan General Tab” on page 277
- “Delinquency Plan Workflow Tab” on page 279

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.

Assigning a Delinquency Plan to a New Account

1. From the **Accounts** tab with no account active, select **Actions** → **New Account** to view the **New Account** screen.
2. In the **Delinquency Plan** field, select the desired delinquency plan from the drop-down list of existing plans.
3. Click **Create Account**.

Assigning a Delinquency Plan to a Policy Period

1. From the **Accounts** tab with the relevant account active, select **Actions** → **Add Policy** to view the **New Policy Wizard**.
2. In the **Delinquency Plan** field, select the desired delinquency plan from the drop-down list of existing plans.
3. Enter the other required and optional field value as needed.
4. Click **Next** to view the **Charges** screen and continue adding the policy period to the account.

Assigning 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);
```

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. Subsequent sections provide additional information about each field.

Field	Description
Cancellation Target	Sets the cancellation target type, if one becomes necessary: This parameter works in conjunction with the Enter Delinquency Threshold (Policy) and Enter Delinquency Threshold (Account) settings of the Amount Threshold field.
Grace Period	Specifies the number of day allowed to pass before initiating the delinquency. The number of days can be expressed in calendar or business days.
Fees	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.
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.

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 on Targeted Policies** field to indicate whether 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. The days can be indicated as calendar or business days.

For example, suppose that the Due date is the 25th of the month and the Grace Period is three calendar 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	Fee assessed to an account for a late payment.	Account
Reinstatement Fee	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.

If a grace period exists, the late fee is imposed after the expiration of the grace period.

Amount Thresholds

The Amount Thresholds settings determine the values BillingCenter will use to handle Past Due amounts.

Threshold option	Description
Write-off Threshold	<p>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."</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
Enter Delinquency Threshold (Account)	<p>Used only if the Cancellation Target on the Delinquency Plan is set to All Policies In Account.</p> <p>Determines if an account is eligible to begin the delinquency process.</p> <p>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.</p> <p>The threshold amount must be:</p> <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)	<p>Used if the Cancellation Target on the Delinquency Plan is set to Delinquent Policy Only.</p> <p>Determine if a policy is eligible to begin the delinquency process.</p> <p>If a policy's past-due amount exceeds this threshold, the policy is made delinquent.</p> <p>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.</p> <p>The threshold amount must be:</p> <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 Segments** feature is made available for customizing purposes only. You must enable this feature to be able to filter the list of qualified delinquency plans. The feature is disabled by default. The functionality exists in the base product, but it must be enabled through configuration.

Use the **Applicable Segments** 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 items.

- 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.

See also

- “Understanding Workflow” on page 353 in the *Configuration Guide*
- “BillingCenter Workflows and Delinquency Plans” on page 427 in the *Configuration Guide* for details on using workflows with delinquencies

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.

Delinquency reason types	Description	Automatic
Collateral Shortfall	Required collateral amount has become insufficient.	No
Failure to Report	Premium reporting information is Past Due .	No
Not Taken	First invoice for a policy has become Past Due , but no payment was received.	Yes
Other	Delinquency started manually.	No
Past Due	An invoice's due date has passed without receipt of payment from payer.	Yes
Producer Referred	Payment to agency bill producer is Past Due .	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 427 in the *Configuration Guide* for a list of the workflow subtypes

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.

Viewing Workflow Events for a Delinquency Plan

1. From the **Administration** tab, select **Business Settings** → **Delinquency Plans** to view the list of defined plans.
2. Click the link in the **Name** column of the relevant delinquency plan to view the plan's field values in the **General** tab.
3. Click the **Workflow** tab to view the plan's workflow types.
4. Click an entry in the **Workflow Type** column to view the events associated with it.

Field	Description
Delinquency Reason	Indicates the reason for the delinquency. Each reason must have an associated workflow type. The delinquency reason may have zero or more events associated with it.
Workflow Type	Indicates the name of the workflow used with the delinquency plan.
Events	Lists of events that correspond to the steps in the associate workflow type.

Adding a Delinquency Reason/Workflow Type Pair

1. When viewing the field values of a particular delinquency plan, click **Edit**. Editing is restricted if the plan is assigned to an account or policy period.
2. On the **Workflow** tab, click **Add** to add a new **Delinquency Reason** and **Workflow Type**.
3. In the **Events** section, click **Add** to add a new event and view the event's field values. Enter the event's field values. Click **OK** to add the event to the workflow.

Initiating Delinquencies

A delinquency process is typically initiated by running a batch process.

A delinquency can be initiated manually from the **Account Summary** or the **Policy Summary** screens. Click the **Start Delinquency** button at the top of either screen to start the process.

Agency bill delinquencies are always manually initiated.

Initiating Delinquencies from External Systems

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

See also

- “Start a Delinquency” on page 125 in the *Integration Guide*

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.

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.

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 insurer 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 Overview” on page 261
- “Delinquency Processing Extensions Plugin” on page 213 in the *Integration Guide*

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, an insurer 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 Details** 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.

Direct Bill Delinquency

The delinquency process can initiate cancellation or reinstate a delinquent account or policy. BillingCenter initiates a delinquency automatically if an invoice is past due. A delinquency can also be started 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 insurer wants to define. For smaller amounts, the insurer may choose to cancel the policy without attempting to recover the unpaid amount.

Agency Bill Delinquency

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.

Creating and Editing an Agency Bill Workflow

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.

See also

- “BillingCenter Workflows and Delinquency Plans” on page 427 in the *Configuration Guide*

chapter 35

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 285
- “Creating and Viewing Trouble Tickets” on page 286
- “Trouble Ticket Escalation” on page 287
- “Closing a Trouble Ticket” on page 288
- “Trouble Ticket Holds” on page 288
- “Trouble Ticket Object Model” on page 290

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.

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.

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 and select **My Trouble Tickets** from the Sidebar. 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

Holds are discussed in detail 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, attach due and escalation dates.
- 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. A trouble ticket cannot be linked to a closed, archived, or retrieved policy period. Linking the trouble ticket to an associated producer can be useful if the issue concerns commissions.
- In the **Holds** section of the wizard, you optionally check the type of hold required.
- 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**.

See also

- “Trouble Ticket Holds” on page 288

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

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	Enables the editing of trouble ticket holds.

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.

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. Although the hold stops automated notices from being sent, manual notices can still be sent if appropriate and desired.

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 must 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 can be associated with depends on the hold type. For example, a disbursement hold can be associated with an account or a policy, but not a producer.

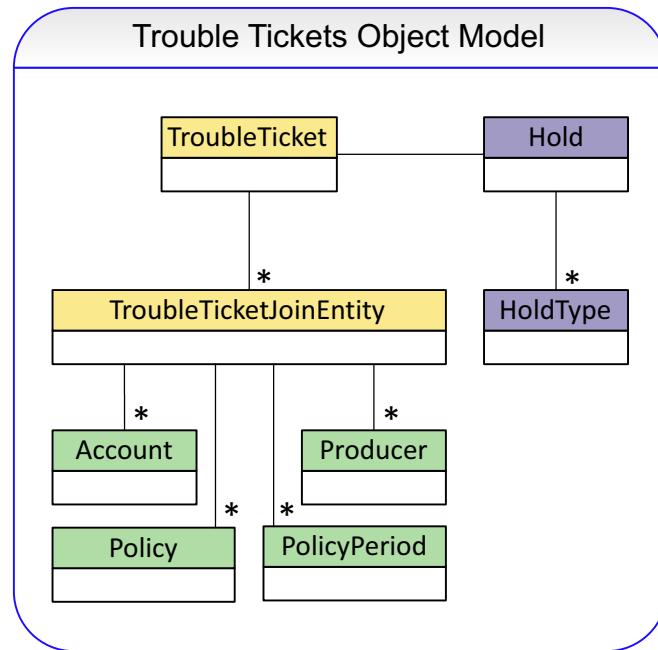
Effects of Trouble Ticket Holds

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.
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.



chapter 36

Activities

This topic describes BillingCenter activities.

Approval activities are the most common type of activity. An approval activity is typically created whenever a BillingCenter user attempts to perform an operation that exceeds their assigned monetary limit as defined in their authority limit profile.

A notification activity is generated to inform a user that a particular event occurred, such as a transaction being approved.

Other types of activities can be created to support desirable behaviors.

This topic includes:

- “Approval Activities” on page 291
- “Viewing Activities” on page 292
- “Approving and Closing an Activity” on page 292
- “Assigning an Activity” on page 292
- “Activity Patterns” on page 293

Approval Activities

When a BillingCenter user attempts to perform an operation that exceeds their assigned monetary limit, the operation must be approved before it is performed. Approval can be granted by a user having the proper authority.

To manage approvals, BillingCenter creates an approval activity. A approval activity is typically assigned to a user’s supervisor when it is created. Configuration can assign an activity to a BillingCenter user other than the user’s supervisor. After being approved, the original operation can be performed.

Transactions That Can Require an Approval

The following transaction types require approval if their monetary amount exceeds the limit allowed by the BillingCenter user initiating the transaction. Each user's monetary limit is specified in their authority limit profile.

- Advance commission payment
- Bonus commission payment
- Charge reversal
- Credit and credit reversal
- Disbursement
- Funds transfer and funds transfer reversal
- Negative write-off and negative write-off reversal
- Producer payable transfer
- Write-off and write-off reversal

Viewing Activities

1. From the Desktop tab, select **My Activities** to view a list of activities.
2. Set the filter fields to view the desired types of activities.

Approving and Closing an Activity

To approve an activity, the BillingCenter user must have the appropriate monetary limit. Similarly, the appropriate permission is required to close other types of activities.

1. Select the activity to approve or close.
2. Click **Complete** to approve or close the activity.

Assigning an Activity

To assign an activity to another user, the BillingCenter user must have the `actraown` permission.

1. Select the activity to assign.
2. Click **Assign** to view the **Assign Activity** screen.
3. Select the new activity owner either from the dropdown or by executing a user search.
 - If the user has the `userviewall` permission, then each search returns all BillingCenter users who meet the search criteria.
 - If the user does not have the `userviewall` permission, then each search returns only the users in the given user's security zone who meet the search criteria.
4. Select the user responsible for the activity.

If a user has a role with the `userviewall` permission, then the user

Activity Patterns

An activity pattern is a template of default field values used to initialize a newly created activity. Each activity type can define its own activity pattern.

A BillingCenter user having the appropriate permission can view, create, and edit activity patterns.

Viewing Activity Patterns

1. From the **Administration** tab, select **Business Settings** → **Activity Patterns** to view a list of the defined activity patterns. Set the filter to view the desired types of patterns.

2. To view the details of a particular activity pattern, click the pattern's link in the **Subject** column.

The **Subject** field specifies the pattern's full name.

The **Short Subject** field specifies the pattern's name that is shown in situations where the full name is too long to show in its entirety.

The **Type** field is a constant of type **General**. BillingCenter reserves all other activity pattern types. The supported pattern types are defined in the **activityType** typelist.

The **Category** field specifies whether the activity is a **Reminder** or **Request**. The settings available for the field are specified by the **activityCategory** typelist.

The **Code** field specifies the name used to reference the pattern in Gosu code statements.

The **Priority** field specifies how BillingCenter sorts the activity pattern among all patterns.

The **Mandatory** field specifies whether the activity must be closed prior to performing its associated operation. If the field value is set to **No**, the operation can be performed even with the activity open.

The **Description** field is shown when viewing the activity's details.

The two **Activity Pattern Dates** groups define the activity's **Target** and **Escalation** dates. The number of days can be specified as calendar days or business days.

The **Templates** group defines the additional templates used by the activity. The **Document Template** and **Email Template** fields specify the desired document and email templates, respectively.

Creating a New Activity Pattern

1. When viewing the list of activity patterns, click **New Activity Pattern** to view the **New Activity Pattern** screen.

2. Enter default field values for the activity pattern.

3. Click **Update** to save the new activity pattern.

Editing an Activity Pattern

1. When viewing the list of activity patterns, click the pattern's link in the **Subject** column to view its details.

2. To edit the pattern, click **Edit**.

3. Click **Update** to save the modified pattern.

Deleting an Activity Pattern

1. When viewing the list of activity patterns, select the pattern and click **Delete**. If the pattern is a **Mandatory** pattern, it cannot be deleted.

2. Alternatively, an activity pattern can be deleted when viewing its details by clicking **Delete**.

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.

This topic includes:

- “Charge Holds Overview” on page 295
- “Working with Charge Holds” on page 296
- “Monitoring Charge Holds” on page 298
- “Releasing Charge Holds” on page 298

See also

- “Trouble Ticket Holds” on page 288

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 changes the state of the charge and makes any necessary adjustments to the account.

To create or release a charge hold requires that the BillingCenter user be assigned a role that includes the necessary permission. The Create Charge Hold permission (`chargeholdcreate`) enables the user to create a charge hold. The Release Charge Hold permission (`chargeholdrelease`) enables holds to be released. If a permission is not assigned to the user's role, the associated **Hold** or **Release** button is not shown on the **Charge** screen.

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 item. Every line on an invoice statement represents either one charge, a portion of a charge, or a collection of charges.

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

As an example of when to use a charge hold, assume an insured has an account with two policies: Policy A and Policy B. Each month an invoice is sent to the insured that details 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 the 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

1. From the **Account** tab, select **Invoices** from the Sidebar to view the list of invoice items for the account.
2. Locate the disputed invoice item and note the charge associated with it.
3. Select 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. Applying the charge hold reverses the invoiced item's status to the **Unbilled** state. The item will appear on the **Invoices** screen on an invoice with a **Planned** status.

During the 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.
 - Negative invoice items for a direct bill account are carried forward to the next planned invoice, regardless of whether their status is **Paid** or **Billed**. In addition, if the invoice item is **Paid**, it is reversed.
- Negative invoice items for an agency bill account are handled in the same manner as positive agency bill invoice items.

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 are 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 following BillingCenter batch processes handle invoice changes.

- 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 policies with past due amounts.

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 **Details** 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's **Details** 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 **Details** screen.

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 **Details** screen as an unbilled policy change.

It is also possible for the billing clerk to issue a policy change directly from the BillingCenter application.

1. From the policy's **Details** 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**.

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.

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**.

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Collateral Handling

This topic covers collateral. Collateral is an additional asset or amount that an insurer can require an account holder to pay to secure coverage for a policy. This additional amount mitigates the risk to the insurer of offering the policy to the account holder.

This topic includes:

- “Collateral Overview” on page 301
- “Collateral Types” on page 302
- “The Collateral User Interface” on page 304
- “Policy Cancellation with Collateral Deposit” on page 309

Collateral Overview

Collateral is an amount of money or a guarantee of some kind that an account holder provides to the insurer. It is a surety against future nonpayment of premium or delinquency of an account or policy. The insurer 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 insurer, the insurer can take ownership of the collateral.

The insurer holds the collateral for the duration of the policy term. At the end of the policy term:

- The insurer can return the collateral if the account holder has paid all premium and fee amounts.
- The insurer can carry the collateral over to the next term if the policy holder renews the policy.

An insurer 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	An insurer can require the policy holder of a policy with deductibles to provide either a letter of credit or collateral cash. This allows the insurer to draw upon these if it fails to recover the required deductibles from the insured.

Collateral requirement	Comment
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 insurer 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 based on the following items.

- 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 insurer no longer applies the collateral amount to the account (the expiration date)

The insurer usually requires that the account holder to provide the collateral payment before the policy goes into effect. In some cases, however, the insurer 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.

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 monetary amounts.

- 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.

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 insurer 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 – BillingCenter may automatically moves money to a non-segregated cash requirement and you then want to move the money into a segregated cash requirement. In this case, you must manually move the money.

Using Cash Collateral

Collateral cash can be used either during the policy period or after the policy period ends.

- 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 Batch Processes

Several BillingCenter batch processes automate the management of collateral.

- The Collateral Requirement Effective batch process operates on pending collateral requirements. If the current date is on or after the requirement's effective date, the batch process attempts to allocate existing unallocated collateral to meet the requirement.
- The Collateral Requirement Expiration batch process closes a collateral requirement if the current date is on or after the requirement's expiration date. The released collateral funds are allocated to pay existing charges or disbursed to the insured.
- The Letter of Credit batch process marks a current letter of credit as expired if the current date is after the letter's expiration date. The released collateral funds are allocated to pay existing charges or disbursed to the insured.

See also

- “Collateral Requirement Effective Batch Processing” on page 94 in the *System Administration Guide*
- “Collateral Requirement Expiration Batch Processing” on page 95 in the *System Administration Guide*
- “Letter Of Credit Batch Processing” on page 102 in the *System Administration Guide*

The Collateral User Interface

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	collateralreqedit	Permission to edit a collateral requirement
View account collateral screen	acctcollview	Permission to view Accounts → Collateral screen

Collateral Screen

In the **Account** tab with the relevant account active, click **Collateral** in the Sidebar to view the **Collateral** screen. The top of the screen contains general information about the account's collateral along with information about collateral balances.

The **General** section includes the following fields.

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 **Balances** section includes the following fields.

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

Multiple tabs exist at the bottom of the Collateral screen.

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.

Tab	Contains	Use to...
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.	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 operations.

- 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 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. You can also disburse these funds using the **Disbursement** function on the **Cash Held** tab.

The decision to require collateral, and the amount and type of collateral, is an underwriting decision and is set in the policy administration system (PAS). The information that the PAS sends to BillingCenter varies depending on the billing instruction type. 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, an insurer simply estimates the premium amount for the cancellation period. The insurer 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 insurer 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.

A collateral requirement can have one of the following status settings.

- 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.

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.

- BillingCenter process `CollExpiration` runs and sets the status value to Closed if the collateral requirement meets certain conditions.
- 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).
- 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.

As a collateral requirement moves from one compliance status to another, the following operations occur.

- 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)`

Adding a Collateral Requirement

1. In the **Account** tab with the relevant account active, click **Collateral** in the Sidebar to show the **Collateral** screen.
2. In the **Requirements** tab, click **Add** to show the **Add Collateral Requirement** screen. The fields shown on the screen are based on the collateral type.

Field	Enter	Used by...
Name	A unique name for this requirement.	All collateral types
Requirement	The collateral requirement amount.	All collateral types

Field	Enter	Used by...
Type	The Requirement type: • Cash • Letter of Credit • Mixed	All collateral types
Level	The Requirement level: • Account • Policy • Policy Period Selecting Policy or Policy Period means that this collateral is segregated for the policy or policy period. All collateral, regardless of Level, is held on the account and billed on the account. To include collateral on the producer statement for agency billing, use manual assignment or configure BillingCenter to make that change.	All collateral types
Effective Date	Date on which the collateral amount must be paid.	All collateral types
Expiration Date	Date on which the collateral amount is no longer required.	All collateral types
Segregated	Select to set this collateral amount aside in a special pool of money.	Cash collateral
Create Collateral Fulfillment Charge If Needed For Compliance	Select to create an invoice item to use to bill the account owner for the collateral amount. If you select this option, BillingCenter creates a charge for this amount.	Cash collateral

3. Enter values for the required fields and any relevant optional fields.

4. Click **Update** to create the collateral requirement. BillingCenter processes all collateral charges are direct bill charges, regardless of whether the requirement is at the account or policy level.

Adding a Collateral Requirement Programmatically

To create a collateral requirement using a billing instruction, do one of the following operations.

- 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`).

Allocating a Payment to a Collateral Requirement

A portion of a direct bill payment can be allocated 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 enables a maximum of one collateral item to be defined for each payment.

Closing a Collateral Requirement

1. In the **Account** tab with the relevant account active, click **Collateral** in the Sidebar to show the **Collateral** screen.
2. From the list of collateral requirements, select the requirement to close.
3. Click **Close**.

Collateral requirements can be closed automatically by running the Collateral Requirement Expiration batch process. The batch process closes a requirement if the current date is on or after the requirement's expiration date.

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.

- 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 the cash to be used 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, first move the money into the Collateral Cash Held T-account. To do so manually, do one of the following operations.

- 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. This transaction can be performed only 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 contains information on the following items.

- 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 values.

- Current
- Expired
- Removed

From this screen, you can do the following operations.

- 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 Collateral Charge

1. In the **Charged Amounts** tab of the **Collateral** screen, click **Add Charge** to show the **New Collateral Charge** screen.
2. Enter the charge details, such as the collateral charge type and monetary amount.
3. Click **Update**.

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, the following operations can occur.

- For cash collateral funds, BillingCenter applies the funds to pay the premiums. Afterward, any remaining collateral funds are refunded 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.

Multicurrency

BillingCenter can work with either a single currency or multiple currencies. When multicurrency is enabled, a single instance of BillingCenter can bill invoices, process payments, and pay commission in multiple currencies.

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 311
- “Currency Separation” on page 312
- “User Interface Changes with Multicurrency” on page 313

See also

- “Configuring BillingCenter with a Single Currency” on page 495 in the *Configuration Guide*
- “Configuring Multicurrency” on page 495 in the *Configuration Guide*
- “Configuring Currencies” on page 115 in the *Globalization Guide*

Multicurrency Overview

Multicurrency is a BillingCenter feature that allows a single instance of BillingCenter to process financial transactions in more than one currency. Multicurrency is not enabled in the base configuration. When multicurrency is enabled, BillingCenter can perform the following actions.

- Invoice each account in a different currency and can process payments in that currency
- Pay each producer its commission in a different currency

Each account and each producer can be associated with only one currency. For example, if the Big Lake Bakery account has a currency of Euros, then its invoices and its payments must be in Euros. If the Derrick Crane Agency producer has a currency of Australian dollars, then its commission must be in Euros.

The Default Currency

Every instance of BillingCenter has a default currency. If multicurrency is not enabled, then the default currency is the one currency used by that instance.

If multicurrency is enabled, the default currency is the currency used when a new account or producer is created and no specific currency has been specified.

Currency Separation

BillingCenter keeps each currency separate from the other currencies. Financial transactions never span more than one currency. BillingCenter enforces this separation through the use of currency silos.

Objects that use a given currency silo cannot have financial transactions that affect objects in a different currency. The following situations demonstrate this restriction.

- When a policy is transferred, the target account or producer must have the same currency as the policy.
- When assigning a payer for a charge or invoice item, the new payer must have the same currency as the charge or invoice item.
- Every payment must be in the same currency as the invoice items being paid for.

All of the BillingCenter accounts, policy periods, and producers that use a given currency are collectively referred to as a currency silo. Every currency used by a given instance of BillingCenter has its own silo. Every account, policy period, and producer belongs to exactly one of those silos.

See also

- “Currency Silos” on page 496 in the *Configuration Guide*

Primary Entities in Currency Silos

The following entities are restricted to a single currency.

Account

Every 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 this currency. The billing plan and delinquency plan associated with the account must use the same currency as the account.

However, parent/child account relationships can span multiple currency silos. For example, an account with a currency of U.S. Dollars can be the parent or the child of an account with a currency of Euros.

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.

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 are 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.

Suspense Payment

A suspense payment is a payment for whose payer is not yet known to BillingCenter. Because there is initially no account associated with a suspense payment, every suspense payment must specify a currency.

You cannot modify the currency after the suspense payment has been created.

If a user attempts to apply a suspense payment of one currency to an account of a different currency, BillingCenter displays an error message.

Entities not in Currency Silos

The following entities are not restricted to a single currency.

Authority Limit Profiles

An authority limit is a criteria that defines when a given user must have approval for a given financial activity. Every limit specifies a limit type (such as "Writeoff"), a currency (such as U.S. Dollars), and an amount (such as 1000). Authority limits are grouped into sets of authority limit profiles and assigned to users as a set.

Authority limit profiles do not initiate financial transactions. Therefore, authority limit profiles do not belong to any currency silo, and an authority limit profile can contain limits that use different currencies. For example, a given authority limit can have two limits for Writeoff, one that sets the threshold to 1000 U.S. Dollars and another that sets the threshold to 500 Euros.

When a user attempts to execute a financial transaction, the transaction requires approval if all of the following criteria are true.

- The user is associated with an authority limit profile that has a limit for the given type of financial transaction.
- The authority limit's currency matches the transaction's currency.
- The financial transaction's amount is greater than the authority limit's amount.

Within each authority limit profile, Guidewire recommends that administrators create multiple authority limits for each limit type to address all the currencies that end users will work with.

Non-Financial Entities

Non-financial entities, such as Activities, Documents, and Notes, do not belong to any currency silo. These objects can interact with any financial entity regardless of its currency.

In the BillingCenter data model, all non-financial entities implement the `NotInCurrencySilo` delegate. You can identify whether an entity is non-financial by checking which delegates the entity implements in the Data Dictionary.

User Interface Changes with Multicurrency

When multicurrency is enabled, BillingCenter displays additional fields and options as detailed below.

Accounts

You can create an account manually by navigating to the **Account** tab and selecting **Actions** → **New Account**. When multicurrency is enabled, an additional submenu appears to specify the currency for the account. If a currency is not selected then U.S. Dollars are used by default.

Once an account is created, its currency cannot be changed.

For existing accounts, the account's currency appears on the **Account Details** screen.

Policies

You can create a policy manually by navigating to the **Account** tab and selecting **Actions** → **Add Policy**. The currency for a new policy period is set to the currency of the owning account.

Once a policy period is created, its currency cannot be changed.

For existing policies, the policy's currency appears on the **Policy Details** screen.

Producers

You can create a producer manually by navigating to the **Producer** tab and selecting **Actions** → **New Producer**. When multicurrency is enabled, an additional submenu appears to specify the currency for the producer. If a currency is not selected then U.S. Dollars are used by default.

Once a producer is created, its currency cannot be changed.

For existing producers, the producer's currency appears on the **Producer Summary** screen.

Plans

You can create plans by navigating to the **Administration** tab and selecting **Actions**. Various types of plans can be created, such as billing plans and payment plans. When multicurrency is enabled, an additional submenu appears for the following plan types to specify the plan's currency. If no currency is specified then U.S. Dollars are used by default.

- Billing Plan
- Payment Plan
- Commission Plan
- Delinquency Plan
- Agency Bill Plan

You can also create new plans by cloning existing plans. The cloned plan is automatically set to the source plan's currency and there is no way to change it. If you want to create a new plan that is similar to an existing plan but uses a different currency, you must create the new plan manually.

For existing plans of the types listed above, the plan's currency appears on the plan's detail screen.

Payments

The **New Suspense Payment** screen and the **Multiple Payment Entry** wizard let you create payments. When multicurrency is enabled, an additional submenu appears to specify the payment currency. If no currency is specified then U.S. Dollars are used by default.

Payments in a given currency can be applied only to accounts or producers of the same currency. If you attempt to apply a suspense payment in one currency to an account of a different currency, BillingCenter displays an error. In the **Multiple Payment Entry** wizard, if you attempt to credit payments to a group of accounts or producers that span more than one currency, BillingCenter displays an error.

Search Screens

When multicurrency is enabled, the following Search screens have a **Currency** field to include currency as a search criteria.

- **Search Accounts**
- **Search Policies**
- **Search Invoices**
- **Search Payments**
- **Search Producers**
- **Search Transactions**
- **Search Disbursements**
- **Search Outgoing Producer Payments**
- **Search Payment Requests**
- **Search Direct Bill Suspense Items**

chapter 40

Agency Bill Exceptions

An agency bill exception occurs when a producer's agency bill payment or promise is not received on time or its monetary amount does not match the expected amount. BillingCenter manages agency bill exceptions and provide methods to resolve them.

This topic includes:

- “Causes of Agency Bill Exceptions” on page 317
- “Viewing Agency Bill Exceptions” on page 317
- “Resolving Agency Bill Exceptions” on page 318

Causes of Agency Bill Exceptions

Producers make scheduled agency bill payments or promises. BillingCenter verifies that the payments and promises are received on time and that their monetary amount matches the expected amount. If payments or promises are late or do not match the expected amount, an exception occurs. Mismatched monetary amounts can occur on individual invoice items or commissions.

BillingCenter manages agency bill exceptions and provides ways to resolve them. Exceptions must be processed manually in BillingCenter. They are typically handled by an agency bill account representative.

Viewing Agency Bill Exceptions

It is possible to view the agency bill exceptions for either a single producer or multiple producers.

- While viewing a producer's information from the **Producer** tab, select the Sidebar item **Agency Bill Exceptions** to view the exceptions for a single producer.
- From the **Desktop** tab, select the Sidebar item **My Agency Items** to view the exceptions for multiple producers.

Resolving Agency Bill Exceptions

In some cases, exceptions can be avoided during the processing of an agency bill payment or promise. Otherwise, exceptions can be resolved by using the methods described in these sections.

Avoiding Exceptions During Manual Payment and Promise Processing

When manually distributing an agency bill payment or promise in BillingCenter, the creation of an exception can be avoided in some cases. In the **Agency Bill Payment (or Promise): Disposition** screen, setting the **Disposition** field of an invoice item to one of the following settings prevents an exception from occurring.

- **Carry Forward** – Carries the invoice item forward to the next agency bill cycle.
- **Write Off** – Writes off the unsettled value of the invoice item.

The remaining **Disposition** settings create an exception for the invoice item in most cases. The **Automatic** setting enables configuration code (specifically, the **Invoice Item** plugin) to determine whether an exception is created. The **Exception** setting forces an exception for the invoice item, even if it is fully settled.

Mismatched Payment and Promise Exceptions

Identical actions are typically required to resolve a mismatch exception of either type—payment or promise. The only difference between the two exception types is that payment exceptions are resolved in the **Payment Mismatch Exceptions** tab of the **Agency Bill Exceptions** screen. Promise exceptions are resolved in the **Promise Mismatch Exceptions** tab of the same screen.

The exception resolution steps described in the following sections refer to the payment mismatch type. The identical steps are used to resolve promise mismatch exceptions. Existing differences between the two types are mentioned.

Viewing the Invoice Item History

Perform the following steps to view the history of the invoice item associated with an exception.

1. In the **Agency Bill Exceptions** screen and the **Payment Mismatch Exceptions** tab, select the desired exception.
2. Click **Edit / History** to view the **Agency Item Events** screen that contains the history of the invoice item with the exception.

Making a Payment

An exception can be cleared by making a payment to eliminate the monetary amount mismatch.

1. While viewing a producer's information from the **Producer** tab, select **Actions** → **New Agency Bill Payment** to view the **Agency Bill Payment** screen.
2. Enter a payment amount sufficient to eliminate the mismatch. Distribute the mismatched amount to the statement invoice item associated with the exception.
3. Enter the remaining payment fields appropriately to complete the payment.

Carrying Exceptions Forward

Perform the following steps to carry the exception forward to the next agency bill cycle.

1. In the **Agency Bill Exceptions** screen and the **Payment Mismatch Exceptions** tab, select the desired exception.
2. Click **Carry Forward** to carry the exception forward to the next agency bill cycle.

Overriding Commission Rate

The commission rate can be modified for an invoice item with an exception. If the new rate eliminates the monetary amount mismatch, the exception is cleared.

1. In the **Agency Bill Exceptions** screen and the **Payment Mismatch Exceptions** tab, select the desired exception.
2. Click **Override Commission** to view the **Commission Rate** screen.
3. Edit the commission rate specified in the **Commission** column.
4. Click **OK** to accept the new commission rate and return to the **Agency Bill Exceptions** screen.

Writing Off Exceptions

The payment mismatch monetary amount can be written off.

This resolution method is available only for payment mismatch exceptions. Promise mismatch exceptions cannot be written off.

1. In the **Agency Bill Exceptions** screen and the **Payment Mismatch Exceptions** tab, select the desired exception.
2. Click **Write Off** and select whether to write off the gross charge mismatch amount, the commission mismatch amount, or both.

Starting a Delinquency

A delinquency can be started on the payment mismatch monetary amount.

This resolution method is available only for payment mismatch exceptions. Promise mismatch exceptions cannot start a delinquency.

1. In the **Agency Bill Exceptions** screen and the **Payment Mismatch Exceptions** tab, select the desired exception.
2. Click **Start Delinquency** to show the **Start Delinquency** screen. Enter the screen's fields appropriately to execute the delinquency.

Late Payment and Promise Exceptions

Late payment and promise exceptions are superficially resolved by dismissing them. However, dismissal does not clear the exception. Instead, it prevents the exception from being included in the list of exceptions for the remainder of the current agency bill cycle. If the payment or promise remains late at the start of the next cycle, the exception is reactivated.

1. In the **Agency Bill Exceptions** screen and the **Late Payments** or **Late Promises** tab, select the desired exception.
2. Click **Dismiss**.

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Write-offs

This topic includes:

- “Producer Write-offs” on page 321
- “Write-offs Based on Billing Method” on page 322

Producer Write-offs

Producer write-offs can occur for a variety of reasons. For example, if a receivable is under collection, the insurer can decide not to pay its commission to the producer. In such a case, the insurer writes off the producer's commission reserve. A less common example occurs when an insurer decides not to collect commission that the producer owes because of a return premium. In this case, the insurer does a commission recovery write-off to clear negative commission reserves.

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
ChargeCommissionWriteoff	Write-off where at least one invoice item charge's default payer is the producer.	No	Agency Bill and Direct Bill
ChargeGrossWriteoff	For pending write-off: Write-off targets a policy period where default payer is the producer. For executed write-off: Write-off where at least one invoice item has same payer as charge's default payer.	Yes	Direct Bill
ItemCommissionWriteoff	Write-off that resulted in a change to producer's item commission reserve.	No	Agency Bill

<code>ItemGrossWriteoff</code>	Write-off of gross amount of producer's agency bill item.	Yes	Agency Bill
Any producer Unapplied write-off	Write-off from producer's Unapplied T-account.	Not applicable	Agency Bill and Direct Bill

Viewing Producer Write-offs

From the **Producer** tab with the relevant producer active, select **Write-Offs** from the Sidebar to view a list the producer's write-offs. Set the screen's status and date-range filters to view the desired write-offs.

See also

- “Defining a New Creation Date Filter” on page 464 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. The BillingCenter user must have “Producer Write-offs screen edit” permission (`prodwriteoffsedit`) for the button to be visible.

The list includes any pending reversed write-offs that are awaiting approval. If the current user has the necessary monetary limit specified in their authority limit profile to reverse the write-off without additional approval, then clicking **Reverse** reverses the write-off immediately. The approval activity associated with the pending reversal is closed as obsolete.

Understanding the Write-off Amount

The BillingCenter user interface shows a write-off as a positive or negative monetary amount as viewed by the insurer. A positive write-off is an expense for the insurer. It is money that the insurer does not expect to receive from the producer. A negative write-off is a credit. It is money that the insurer does not expect to pay the producer.

The following examples illustrate positive and negative write-offs.

- A producer underpays by a trivial amount. Collecting such a small amount is not worth the cost of processing, so the insurer does not collect this money from the producer. The producer owed this money to the insurer, so, from the insurer's point of view, the amount written off is positive.
- A producer overpays by a trivial amount. Refunding such a small amount is not worth the cost of processing, so the insurer does not return this money to the producer. The insurer owed money to the producer, so, from the insurer's point of view, the amount written off is negative.

Write-offs Based on Billing Method

BillingCenter provides you with access to transactions that you can use for various types of write-offs that you can use with direct bill or 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 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.

- 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 write-off transactions are listed below.

Write-off Transactions	Descriptions
Commission Write-off Dist Item (agency bill)	Writes off the commission amount owed to the producer, when the insurer is not planning on remitting the amount to the producer.
Negative Write-off	Writes off the excess amount of a payment made by the insured, for which the insurer is unable to remit to the insured.
Negative Write-off Reversal	Reverses a negative write-off by remitting the previously written off excess payment to the insured.
Producer Write-off (agency bill)	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.
Reverse Write-off	Reverses an amount that was previously written off and subsequently paid.
Write-off	Writes off an amount due from an insured, when the amount is not expected to be paid.
Write-off Commission (direct bill)	Writes off commission owed to the producer.
Write-off Commission Recovery (direct bill)	Writes off a commission owed by the producer to the insurer. This amount represents the commission that the insurer wants to recover from the producer.

Charge Write-off Transactions

Charge write-off transactions include the following:

- Negative Write-off
- Negative Write-off Reversal
- Reverse Write-off
- Write-off

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.

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.

Commission write-off transactions are listed below.

- Write-off Commission (direct bill)
- Write-off Commission Recovery (direct bill)
- Commission write-off (agency bill)
- Producer write-off (agency bill)

When an insurer owes a commission amount to a producer, BillingCenter debits the **Commission Reserve** T-account and credits the **Commission Negative Write-off** T-account. When a producer owes a commission amount to the insurer, BillingCenter credits the **Commission Reserve** T-account (liability) and debits the **Commission Write-off** T-account. When a commission is written off for a producer, BillingCenter debits the **Commission Write-off** T-account and credits the **Charge Due** T-account.

Working with 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.

Write-offs can be handled automatically when payment is made. For direct bill, BillingCenter checks the threshold settings in either the billing or delinquency plans. If the amount to be written off is below the **Write-Off Threshold** specified in the plan, the amount is written off. For agency bill, the clearing logic settings in the agency bill plan are applied.

Write-off Transactions	Manual Instructions
Charge Reversal	<ul style="list-style-type: none"> • From the Account tab with the relevant account active, select Actions → New Transaction → Charge Reversal to view the New Charge Reversal Wizard. • Select the charge to be reversed. • Specify the dates. • Select the related account or policy.
Commission Written Off (agency bill)	<ul style="list-style-type: none"> • From the Producer tab with the relevant producer active, select Agency Bill Exceptions from the Sidebar to view the list of exceptions. • Select the items to be written off. • Select Write Off.
Negative Write-off	<ul style="list-style-type: none"> • From the Account tab with the relevant account active, select Actions → New Transaction → Negative Write-Off → Target. • Choose either an account or policy for the negative write-off and select the target. • Provide the amount for the negative write-off.
Negative Write-off Reversal	<ul style="list-style-type: none"> • From the Account tab with the relevant account active, select Actions → New Transaction → Negative Write-Off Reversal to view the New Write-Off Reversal Wizard. • Specify the transaction number. • Select the transaction type. • Specify the dates.
Reverse Write-off	<ul style="list-style-type: none"> • From the Account tab with the relevant account active, select Actions → New Transaction → Write-Off Reversal to view the New Write-Off Reversal Wizard. • Select reason for write-off. • Specify amount to be written off. • Specify the dates. • Specify any related charge pattern. • Specify the related account or policy.
Write-off	<ul style="list-style-type: none"> • From the Account tab with the relevant account active, select Actions → New Transaction → Write-Off to view the New Write-Off Wizard. • Choose either an account or policy for the write-off and select the target. • Provide write-off details, such as the charge pattern, amount, and reason.

Write-off Transactions	Manual Instructions
Write-off Commission (direct bill)	<ul style="list-style-type: none">From the Producer tab with the relevant producer active, select Actions → Write-Off Commission → Policies.Select the commission payable amount to be reduced.
Write-off Commission Recovery (direct bill)	<ul style="list-style-type: none">From the Producer tab with the relevant producer active, select Actions → Write-Off Commission → Policies.Select the commission recovery amount to be written off.

Document Management

BillingCenter enables you to create and manage documents that are associated with accounts, policies, and producers. These documents have content that exists in or is created in BillingCenter. For example:

- BillingCenter creates an invoice and sends it to the policyholder.
- When an invoice payment has not been received by the due date, BillingCenter creates a dunning letter. This letter is sent to the policyholder to remind them of the overdue amount.

Typically, the documents stored in BillingCenter are created automatically. You can view them, but you cannot modify them. However, BillingCenter does support user-created documents and user modification of documents. This topic discusses these capabilities for insurers who want to make use of them.

Guidewire recommends integrating with an external document management system rather than using the default demonstration document management system on the BillingCenter server. The default system is useful only for demonstration purposes and does not support features of a real document management system, such as document versioning.

Use document management in BillingCenter to:

- Create new documents on the server from templates, and then download and edit them.
- Have another user approve a document you wrote before it is sent.
- Store documents, both those you create and those received from other sources.
- Remove documents.
- Associate a document with an account, policy, or producer.
- Create and send a document from rules or workflows.
- Extend these default capabilities by integrating with an external document management system (DMS).

By default, BillingCenter stores document contents as files on your BillingCenter server. For more robust document management, integrate documents with an external document management system.

See also

- “Localizing Templates” on page 77 in the *Globalization Guide*
- “Document Management” on page 245 in the *Integration Guide*

Document Storage Overview

This topic describes how BillingCenter stores documents as configured in the base product. You can configure how BillingCenter uses metadata properties and stores content.

In the base configuration, documents are stored as a combination of:

- Metadata – Properties that specify information about a document. In the base configuration, BillingCenter stores these properties in the database. For example, there are properties for the document's name, the business object associated with the document, the document's file type, an optional type classification, and so on. When you create a new document, you must specify some of its properties before you can save it.

For example, you see document properties when you click the Info action  for a document in the **Documents** screen.

- Document content – A file that is stored in the BillingCenter file system. In general, you edit document content as a file on your local system by using your editing software. Alternatively, you can create the file from a template and, in some cases, edit that file on your local system. Before uploading the content, you select or specify the metadata representing the document in BillingCenter. You then upload the file to the server, which associates the file with its metadata and saves the file.

For example, you can view a document's content by clicking the document name in the **Documents** screen.

See also

- “Document Metadata Properties” on page 328
- “Viewing Documents” on page 329
- For information on configuring document storage, see “Choices for Storing Document Content and Metadata” on page 248 in the *Integration Guide*.

Document Metadata Properties

When you create a new document or edit an existing document, you see a set of metadata properties that the base configuration of BillingCenter stores in the database. Document search uses a subset of these properties.

You can set the following metadata properties for a document:

- **Name** – The name of the document. BillingCenter uses this name for the document content file. For example, if you download the content for a document, this setting determines the name of the file name sent to the browser.
- **Description** – Especially useful for locating hard-copy documents.
- **File Type** – The type of content file, also known as a MIME type.

You can change the file type, but do so with caution. BillingCenter uses your setting to set the MIME type for the file. The operating system formats the document content file to match this MIME type when you upload the content.

- **Author** – By default, the name of the user who associated the document with the account, policy, or producer. This field can be changed to some other value, such as the sender of a document.
- **Recipient** – The person or business to which the document was sent, if applicable.
- **Status** – A value from the **DocumentStatusType** typelist, such as Approved or Draft. You are required to set this value when you create a document. Its main use is to track the approval process of a document in rules.
- **Security Type** – The default values are Sensitive and Unrestricted. For example, a document might require extra restrictions on users who can view and edit the document.
- **Document Type** – A value from the **DocumentType** typelist that classifies the document, such as Billing Error or Email Sent.

See also

- “Configuration Parameters for Document Management” on page 334

Working with Documents

Open an account, policy, or producer and select the **Documents** link in the left Sidebar to work with it. To create a new document, select **New Document** from either the **Actions** menu or the **Documents** screen while in an account, policy, or producer screen.

Viewing Documents

You can view all documents associated with accounts, policies, or producers, or you can filter the list and see a subset of these documents.

You can view all documents for which you have permission.

See also

- For information on document permissions, see “Document Security” on page 334.
- For information on document configuration parameters, see “Configuration Parameters for Document Management” on page 334.

Viewing All Documents

The **Documents** screen shows all documents associated with an account, policy, or producer.

To open this screen, open an account, policy, or producer and click the **Documents** link, located on the left Sidebar of all account, policy, or producer screens.

The **Documents** screen initially displays the unfiltered list of all documents. Use the search pane at the top of the screen to filter the list of documents.

In the list of documents, you can:

- Click a document **Name** to download the document and view its contents.
 - If the browser can open the document for viewing, a window opens showing the contents.
 - If the browser cannot open the document for viewing, you see a message saying that the file was downloaded for viewing. You can then open the downloaded file with the appropriate viewer.

If nothing happens when you click the document name, enable pop-ups for BillingCenter in your browser.

- Click **View Document Properties**  to see the document’s metadata properties on the **Document Properties** screen. On that screen you can edit the properties, download the document content, or upload new content.
- Click **Download**  to download, view, and possibly edit the document’s content.
- Click **Upload**  to upload new or edited content.
- Click **Delete**  to delete the document.

Searching for Documents

Use the **Search** pane of the **Documents** screen to search for documents. You can use the following search parameter values for a document after you create the document or link to it:

- Author** – By default, the name of the user who associated the document with the account, policy, or producer. This field can be changed to some other value, such as the sender of a document.

- **Status** – A value from the `DocumentStatusType` typelist, such as Approved or Draft. You are required to set this value in the user interface when you create a document. Its main use is to track the approval process of a document in rules.
- **Type** – A value from the `DocumentType` typelist that classifies the document, such as Billing Error or Email Sent.
- **Search by** – The type of date to use in the search: none, the date the document was created, or the date the document was modified.
 - **Since** – The starting date for the search.
 - **From, To** – A date range for the search.
- **Include Hidden Documents** – Whether to search also for documents that have been hidden.

See also

- “Hiding a Document” on page 333
- “Configuring BillingCenter Search” on page 328 in the *Configuration Guide*

Creating a New Document

You can create a new account, policy, or producer document when you have an account, policy, or producer open. Additionally, you can create a document when you create a new email.

1. Either use the **Actions** menu and go to the selections under **New Document** or open the **Documents** screen and click **New Document**.
2. Click one of the following choices for adding documents to the current account, policy, or producer:
 - **Upload document**
 - **Create from a template**

This topic includes:

- “Uploading Documents” on page 330
- “Creating a New Document from a Template” on page 331

Uploading Documents

When you upload a document, you replace the content for a document with a file from your file system. If you are creating a new document, you must specify metadata properties for the document, and the upload becomes the content. You can upload multiple documents at one time.

1. There are multiple ways to get to the **Upload Documents** worksheet that enables you to upload one or more documents:
 - Click **Actions**, and under **New Document** click **Upload documents**.
 - In the **Documents** window, click **New Document** and then click **Upload documents**.
 - The **Upload Documents** worksheet opens.
2. To add files that you want to upload, do either of the following, or both:
 - Drag one or more files from your file system window, such as Windows Explorer, to the worksheet.
 - Click **Add Files**, browse to the locations of your documents, and click **Add**.
 - You can click **Add Files** multiple times for files in different folders. You can also select more than one document in a folder.
3. Set the properties for the files you want to upload.

You must have values for the **Name**, **File Type**, **Status**, **Security Type**, and **Document Type** fields.

You can set the properties one file at a time in the fields to the right of each file you added to the list.

You can edit the properties for multiple files by selecting their check boxes and then clicking **Edit Details**.

Do not set the **Name** field for multiple files. Files must have different names. Additionally, BillingCenter sets the file type for you based on the MIME type it detects. If you set the **File Type** field, the file contents will be configured to match that MIME type when you upload it.

4. Click **Upload** to send the file or files to the server and create the link or links.

Replacing Content for an Existing Document

1. You can start the upload to replace a document's content in two ways:

- On the **Documents** screen, for the document whose contents you want to upload, click **Upload**  under **Actions**.
- On the **Documents** screen, for the document whose contents you want to upload, click **View Document Properties**  under **Actions**. Then, on the **Document Properties** screen, click **Upload** .

2. In the **Update Document Content** screen, add the file that has the new content by:

- Browsing for the content file.
- Dragging the file from your file system window, such as Windows Explorer.

3. Click **Update**.

Creating a New Document from a Template

1. Open an account, policy, or producer.

2. Select either of the following:

- **Actions** → **New Document** → **Create from a template**.
- Open the **Documents** screen, and then click **New Document** → **Create from a template**.

3. In the **New Document** worksheet, click the **Select Template** search icon so you can select a template. To create a document, you must specify an existing template.

4. After you click the **Select Template** search icon, a search screen for document templates opens.

The search settings are based on the claim you have open.

The search settings are based on the account, policy, or producer you have open.

- a. If no results are showing, choose a document type from the **Type** picker.

For example, select **Other**.

- b. Set any other search fields that will help you find the template.

- c. Click **Search**.

The **Search Results** displays a list of matching document templates.

- d. Click **Select** for the template you want to use.

The base configuration Sample Acrobat document, **SampleAcrobat.pdf**, uses Helvetica font. If you intend to create a document that uses Unicode characters, such as one that uses an East Asian language, the document template must support a Unicode font. Otherwise, the document does not display Unicode characters correctly.

5. After you select a template, BillingCenter displays numbered steps along the left side of the screen.

6. Follow the steps on the screen.

The document requires values for **Name**, **Status**, **Security Type**, and **Document Type**. Those values are filled in for you, but you might want to change them. In particular, **Name** sets the file name of the content file.

If you integrate with a document management system, the file attributes used by that system need not be the same as the comparable object values that appear in the document.

7. After filling in the fields, click **Create Document**.

8. If you see **View/Edit**, click this button.

If you can edit the document content, your browser will indicate that it downloaded the file.

You can use the browser feature that enables you to open the downloaded file in its native editor.

If you edit the document content file, be sure to save it.

Make note of the saved file name and location so you can browse for the file when you upload changes to the document. The file you upload becomes the new content for the document.

9. Click **Update** to save your work.

After you create the document, you can take additional steps, such as sending this document as an email attachment. You can also print it and send it through the mail. Additionally, if you have integrated with a document management system, you can use any features provided by that system.

See also

- “Document Metadata Properties” on page 328

Editing Content for a Document

You can chose to edit contents of documents in the **Documents** screen.

You can edit the content of a document if you have sufficient permissions.

Note: If you are using Microsoft Internet Explorer and you download a Microsoft Office document, the browser can open it for you in the Office application, such as Microsoft Word. However, it is possible that the browser will not use the correct file name for the document. Before saving a Microsoft Office document that you have downloaded for editing, verify that the file name is correct, and enter it again if necessary.

1. Click **Download**  in the **Actions** column for the document. Alternatively, you can click the same button on the **Document Properties** screen for the document.

Your browser indicates that it downloaded the file.

2. Edit the document content file in the appropriate editor.

Most web browsers can be configured to open some types of downloaded files in their native editors.

3. Save your work after you have made all your edits.

Make note of the saved file name and location so you can browse for the file when you upload changes to the document. The file you upload becomes the new content for the document.

4. In the **Documents** screen, click **Upload**  under **Actions**.

5. On the **Update Document Content** screen, click **Browse**, locate the file you saved, and then click **Update**. Alternatively, you can drag a file from your file system viewer to this screen.

See also

- “Uploading Documents” on page 330
- “Document Storage Overview” on page 328

Editing Metadata Properties of a Document

You can chose to edit metadata properties of documents in the **Documents** screen.

You can edit the metadata properties of a document if you have sufficient permissions.

1. Click View Document Properties  in the Actions column for the document.
2. In the Document Properties screen, click **Edit**.
3. Make your changes, and then click **Update**.

If you change the **Name** field, BillingCenter subsequently uses that name for the file it downloads for document content.

See also

- “Uploading Documents” on page 330
- “Document Storage Overview” on page 328

Hiding a Document

Hiding a document is a way to remove an obsolete document from your list of documents without deleting it. When you hide a document, you no longer see it listed in the **Documents** screen unless you indicate that you want to see hidden documents.

You can hide a document in a number of ways:

- With an account, policy, or producer open, open the **Documents** screen from the left Sidebar, select a listed document, and click **Hide Documents**.
- Open the **Documents** screen. Then click View Document Properties  for a document to open its **Document Properties** screen, click **Edit**, set **Hidden** to **Yes**, and then click **Update**.

Hiding a document in either of these ways sets the **Obsolete** flag on the **Document** entity and does not retire the document in the database. You can view hidden documents by setting **Include Hidden Documents** to **Yes** in the search section of the **Documents** screen.

Hiding a document is not the same as deleting it. The **delete** permission is necessary to delete documents. Only users who have that permission can delete documents.

Deleting a Document

1. Open the **Documents** screen and select the document in the **Documents** list.
2. Click **Delete Selected**.

If this button is dimmed or there is no Delete  action visible in the **Actions** column, you might not have the authority to delete that file.

See also

- “Hiding a Document” on page 333

Configuring and Integrating Document Management

The base configuration provides Document Management system permissions, configuration parameters, plugins, and document templates that you can configure or manage as an administrator.

Guidewire recommends integrating with an external document management system rather than using the default demonstration document management system on the BillingCenter server. The default system is useful only for demonstration purposes and does not support features of a real document management system, such as document versioning.

See also

- “Document Management” on page 245 in the *Integration Guide*

Document Security

BillingCenter provides a set of system permissions to provide security for all documents, as seen in the following table. You can also use these permissions to define security types for documents and assign permissions to users that relate to these security types.

The `RestrictSearchesToPermittedItems` search parameter in the `config.xml` file determines whether you can see a document in the list that you do not have permission to view.

The following system permissions provide security for documents.

Name	Purpose of permission
<code>doccreate</code>	Create documents for an account, policy, or producer
<code>docdelete</code>	Remove documents from an account, policy, or producer
<code>docedit</code>	Edit documents on an account, policy, or producer
<code>docmodifyall</code>	Modify any document, regardless of security type
<code>docview</code>	View documents on an account, policy, or producer
<code>docviewall</code>	View any document, regardless of its security type

See also

- “Access Control for Documents and Notes” on page 404

Configuration Parameters for Document Management

The following configuration parameters in the `config.xml` file control search for and the display and editing of files in a document management system.

- `DisplayDocumentEditUploadButtons`
- `DocumentContentDispositionMode`
- `DocumentTemplateDescriptorXSDLocation`
- `FinalDocumentsNotEditable`
- `MaximumFileUploadCount`
- `MaximumFileUploadSize`
- `MaximumTotalUploadSize`

Another section of the `config.xml` file maps document file types—also called MIME types—to file extensions and associated icons in the user interface. For example:

```
<mimetypesmapping>
  <mimetype name="application/msword"
    extensions=".doc"
    icon="mime_word_16.png"
  <!-- more mappings -->
</mimetypesmapping>
```

See also

- “Document Creation and Document Management Parameters” on page 44 in the *Configuration Guide*
- To configure search parameters for documents, see “Searching for Documents” on page 329.
- For details about document management and related integration points, see “Document Management” on page 245 in the *Integration Guide*.

Document Management Integration

The following are the main plugin interfaces used to integrate with a document management system. Each plugin interface has a default plugin implementation class.

Interface	Description
IDocumentMetadataSource	<p>BillingCenter passes search parameters—metadata—to the plugin implementation class registered in this plugin registry. The class searches its metadata and returns a list of documents found.</p> <p>You can implement your own plugin implementation class to interface with a system for storing document metadata—name, id, status, author, and so on. If the plugin is not enabled, then the BillingCenter database stores the metadata. This interface is separate from IDocumentContentSource because of different architectural requirements.</p> <p>In the base configuration, this plugin is disabled, and the following plugin implementation class is registered:</p> <pre>gw.plugin.document.impl.LocalDocumentMetadataSource</pre>
IDocumentContentSource	<p>BillingCenter passes to the plugin implementation class registered in this plugin registry the metadata for one document. The registered class registered returns the document content and does the following:</p> <ul style="list-style-type: none"> Interfaces with a document storage system. Contains methods for creating, updating, and retrieving document contents. Supports the following document retrieval modes: <ul style="list-style-type: none"> Document contents. Gosu executed by client rules. URL to a server content store. <p>In the base configuration, the following plugin implementation class is registered:</p> <pre>gw.plugin.document.impl.AsyncDocumentContentSource</pre> <ul style="list-style-type: none"> In the registry, the parameter TrySyncedAddFirst is set to true and SyncedContentSource is set to <pre>gw.plugin.document.impl.LocalDocumentContentSource.</pre> These parameter values cause the class to first try to use synchronous document management. If it fails, then it uses asynchronous document management.
IDocumentProduction	<p>This plugin registry registers a plugin implementation class that is the interface to a document creation system.</p> <p>The document creation process can:</p> <ul style="list-style-type: none"> Involve extended workflow or asynchronous processes or both. Depend on or set document fields. <p>In the base configuration, the following plugin implementation class is registered:</p> <pre>gw.plugin.document.impl.LocalDocumentProductionDispatcher</pre>
IDocumentTemplateSource	<p>This plugin registry registers a plugin implementation class that searches for and retrieving templates describing the document to be created. In the base configuration, the plugin implementation class is:</p> <pre>gw.plugin.document.impl.LocalDocumentTemplateSource</pre>
IDocumentTemplateDescriptor	<p>This interface describes the templates used to create documents. It include basic metadata (name, MIME type, and so on) and a pointer to the template content. In the base configuration, a class that implements this interface is:</p> <pre>gw.plugin.document.impl.XMLDocumentTemplateDescriptor</pre>

See also

- “Document Management” on page 245 in the *Integration Guide*
- “Asynchronous Document Storage” on page 263 in the *Integration Guide*

Creating a Document Template

A document template consists of two files. One file is a document template descriptor file, which contains the metadata, such as its name, ID, and MIME type. The other file is the document template itself, which contains the document contents.

You can view and edit the document templates and descriptors by navigating to **configuration** → **config** → **resources** → **doctemplates** in Studio.

Document template files are in the following directory:

`BillingCenter/modules/configuration/config/resources/doctemplates`

- There are several example files in that directory. The best way to create a new template is to edit copies of these examples. The descriptor file is in XML format. Studio does not provide a special editor to help generate new templates.

See also

- For details about document management, document templates, and related integration points, see “Document Management” on page 245 in the *Integration Guide*.
- To automatically create documents by using rules, see “Creating New Documents from Business Rules” on page 298 in the *Integration Guide*. Use similar rules to create a document in a workflow.

Notes

Notes can be used by BillingCenter end users to capture information about an account, policy period, or producer that does not easily fit anywhere else.

You can use the Notes feature to:

- Create general notes without a note template.
- Create notes with a note template for specific note types.
- Add additional security with ACLs.
- Edit notes, if you have the proper permission.
- Search for notes with a wide variety of filters.
- Create a note with rules or in workflows.
- Create new note templates.

This topic includes:

- “Differences Between Notes and Documents” on page 337
- “Working with Notes” on page 338
- “Note Security” on page 339
- “Configuring Notes and Note Templates” on page 339

Differences Between Notes and Documents

Notes and documents have distinct functions in BillingCenter, and the application handles them differently. The following table highlights the main differences.

Characteristics of Notes	Characteristics of Documents
Written in plain text.	Can have many different MIME types, such as PDF, Word, or Excel.

Characteristics of Notes	Characteristics of Documents
Created by a user or through Gosu.	Created by a user, or through Gosu, or in an external document management system.
Stored only in the BillingCenter database.	Stored either in the BillingCenter database or in a document management system.

See also

- “Document Management” on page 327

Working with Notes

The primary screens and worksheets related to notes are:

- **Notes** – This screen has a search area in its upper part with fields that enable you to search by text, author, topic, and date range. The main screen shows the results of the last search in its lower section.
- **New Note** – This worksheet is where you create notes. You can optionally use a template. You can also search for note templates. To access this worksheet, click **Actions** → **New Note**.

Searching for Notes

To search for notes, open an account, policy period, or producer and click **Notes** in the sidebar to open the **Notes** screen. Use the search section at the top of the **Notes** screen to search for notes.

You can use the following filters and search fields:

- **Find Text** – Search for a word or text string in the subject or body of the note.
- **Author** – The user who wrote the note. BillingCenter attaches the name of the user to a note when it is created. You cannot change the author of a note.
- **Related To** – A note can be related to an account only, delinquencies, disbursements, invoices, payments, policies, producers, transactions, or trouble tickets.
- **Date Range** – Enter a range of dates.
- **Sort By** – Sort the results by author, date, exposure, subject, or topic in either ascending or descending order. These values are typecodes from the **SortByRange** typelist. In the base configuration, the default sort is by date in descending order.

Viewing Notes

Use the **Notes** screen to see the most recent notes, and use the upper search section of the screen to find notes. If the note appears in a list, click it to see it.

To view the details of a note, click **Edit**. All the note’s attributes display in the **Edit Note** screen.

You can configure the **Notes** screen to show more than the default information available in the base configuration.

See also

- “Configuring Notes and Note Templates” on page 339

Editing a Note

If you have the **noteedit** and **noteeditbody** permissions, you can click **Edit** for each note.

1. Click **Edit** to start editing.
2. Click **Update** to save.

Creating a Note

1. Choose **Actions** → **New Note** to open a **Note** worksheet.
2. Choose values for the required attribute fields: **Security Type** and **Subject**. The **Security Type** field specifies the access control list (ACL) for the note.
3. Enter the note text. Notes must always contain some text.
4. Click **Update** after you are finished with your note.

Creating a Note from a Note Template

You can use a template to create a note. Before using a template, you must first find one.

1. Choose **Actions** → **New Note**.
2. In the **Note** worksheet, click **Use Note Template**.
3. In the **Pick Note Template** screen, optionally select template attributes to limit the search, and then click **Search**.
The search returns a list of templates matching your search criteria, or all templates if you enter no criteria.
4. Click **Select** to choose the template to use for creating the note.
After you select a template, the template's attributes and text populate the **Note** worksheet.
5. Change any information added by the template and edit other fields and body text as needed.
6. Click **Update** when you are finished.

Note Security

BillingCenter provides a set of system permissions to provide security for all notes, listed in “Permissions Related to Notes” on page 339. Use these permissions to define different security types for notes and assign permissions to users that relate to these ACLs.

Select the ACL to which you want the note to belong by specifying its **Security Level** when you create the note.

Permissions Related to Notes

The following system permissions provide security for notes.

Permission	Code	Description
Create notes	notecreate	Permission to add notes
Delete notes	notedelete	Permission to remove notes
Edit note	noteedit	Permission to edit any part of a note
Edit note body	noteeditbody	Permission to edit the body of notes
View notes	noteview	Permission to view notes

Configuring Notes and Note Templates

The Notes feature requires little configuration.

You cannot add and delete search filters in the `search-config.xml` file, as you can for other types of searches.

Note Plugin Interfaces

There are two plugin interfaces associated with notes. They do not affect the primary use of notes, which are stored in the database and do not require an external system, such as a document management system. They are related to note templates, which can be a customized method of creating notes. The plugin interfaces are:

- **INoteTemplateSource** – Retrieves note templates—**INoteTemplateDescriptor** objects—that are used to help create notes. The default implementation is `gw.plugin.note.impl.LocalNoteTemplateSource`. This Gosu class retrieves templates from the server file system, but can also be customized to get them from a document management system.
- **INoteTemplateSerializer** – Customizes reading and writing of **INoteTemplateDescriptor** objects.

Note Fields

Notes and note templates have a set of fields, also called properties. BillingCenter uses these fields to attach the notes to various account, policy period, and producer entities and to search for notes and note templates.

The following table describes the fields of a Note that are visible in BillingCenter screens.

Attribute Name	Definition of Attribute	How Set	Search for Note?	Editable?
Author	Logged-in user who wrote the note	By BillingCenter	yes	no
Body	Contents, the text of the note	By author in editor	yes - any string	yes
AuthoringDate	Date the note was originally written	By BillingCenter	yes - and by range	no
NoteRelatedTo	Must exist and be unique	By author in editor	yes	yes
SecurityType	Value from the NoteSecurityType typelist	By author in editor	no	yes
Topic	Value from the NoteTopicType typelist	By author in editor or by template	yes	yes
Subject	Defined in the template and given to its notes	By author in editor or by template	no	yes

The author, body, date, related to, confidential, and security type are fields unique to notes and are not a part of note templates.

Security type is the **Security Level** in the user interface.

The following fields are used in note templates. The first two are applied by the note template to a note created from it.

Field Name	Definition of Field	Search for Template?	Search for Note?	Editable in Note?
Subject	The subject of the template and of notes created from it.	no	no	yes
Topic	The topic of the template and of notes created from it. A typecode of the NoteTopicType typelist.	yes	yes	yes
Type	A typecode of the NoteType typelist, such as diagram, action plan, or status report. You can add others.	yes	no	no

Creating a Note Template

A note template is a pair of Gosu files, a `.gosu` file and a `.gosu.descriptor` file. To access the files, open Guidewire Studio and navigate in the Project window to **configuration** → **config** → **resources** → **notetemplates**.

The easiest way to create a new template is to modify copies of two existing files for one of these templates. Then save the two files with new, matching names in the same location as the other note template files.

Note Template Files

A note template consists of two separate files:

- A descriptor file with a name ending in `.gosu.descriptor`. The file contains metadata about the template.
For example, `ActivityActionPlan.gosu.descriptor`.
- A template file with a name ending in `.gosu`. This file contains the text for the body of the note.
For example, `ActivityActionPlan.gosu`.

In the base configuration, a note descriptor file has the following fields.

Field	Description
<code>name</code>	A String value that is a unique, readable name for the template. Can be used in template search.
<code>type</code>	A String value that is the type of the note, a string that matches a typecode from the <code>NoteType</code> typelist. Can be used in template search. Note: In the base configuration, there are no values in this type-list.
<code>lob</code>	The product that the note is associated with. For example, Commercial Package or Workers' Compensation. Can be used in template search.
<code>keywords</code>	A String value, a comma-separated list of keywords that can be used to search for the template.
<code>topic</code>	The topic of the note, a String value that matches a typecode from the <code>NoteTopicType</code> typelist. For example, <code>billingerror</code> , <code>delinquency</code> , <code>disbursement</code> , <code>dispute</code> , <code>general</code> , <code>policytransfer</code> , <code>renewalcarryover</code> , or <code>subrogation</code> . Can be used in template search.
<code>subject</code>	The subject of the notes created with this template, a String value.
<code>body</code>	A String value that is the name of the Gosu file containing the body of the note. Be sure to include the <code>.gosu</code> extension.

History

When certain events occur in BillingCenter, information pertaining to the event is saved. The saved information is associated with the relevant account, policy, or producer and can be retrieved to view the object's history.

This topic includes:

- “History Overview” on page 343
- “Viewing History” on page 343

History Overview

When certain events occur to an account, policy, or producer, the event information is saved in BillingCenter. The information can be retrieved to view a history of the object.

BillingCenter maintains the history of a small number of events, such as when an account is created or when a policy becomes delinquent. During configuration, additional events can be added and saved for subsequent retrieval and viewing.

See also

- “Configuring History” on page 522 in the *Configuration Guide*

Viewing History

1. With the relevant account, policy, or producer active, select **History** from the Sidebar.
2. Select the appropriate **Date** and **Type** filters to show the desired history events.

Integrating with External Systems

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 347
- “Creating BillingCenter Entities” on page 348
- “Billing Components” on page 352
- “Billing Processes” on page 356
- “Policy Period Billing Instructions” on page 361
- “Multicurrency Integration Between BillingCenter and PolicyCenter” on page 365
- “BillingCenter Web Services” on page 368

See also

- “Enabling Integration between BillingCenter and PolicyCenter” on page 84 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.

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 insurer 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

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.

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

Property Description	Account entity properties in BillingCenter	Account entity properties in PolicyCenter	System of record
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

See also

- 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*.

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

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. For details, see “Billing Instructions” on page 109.

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 “conversion on renewal” 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 “conversion on renewal” 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 of the following situations.

- Generating BillingCenter messages.

- Calculating the insurer'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 of the following items.

- The payment plan that BillingCenter will use to divide the billing charges
- The billing method, either 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 alternative 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.

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 Overrides” on page 147 for details.

In the base 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.

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 363

Billing Processes

The integration of BillingCenter and PolicyCenter includes many features that allow insurers 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, an insurer 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 insurer 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. Billing system returns billing options, available installment plans, and invoicing plans.	
7. User selects billing method. 8. User selects installment plan. 9. (Optional) User clicks to preview payments that billing system returned.	10. PolicyCenter sends message with the selected payment plan.	11. Calculate payment schedule.
	12. Billing system returns payment schedule which can be viewed in PolicyCenter.	
13. User selects invoicing plan. 14. (Optional) User enters one or more up-front payments. 15. User binds policy.	16. If the billing system does not know about the account, PolicyCenter sends account information. 17. If the user adds an invoicing plan, PolicyCenter sends new invoicing information.	18. If account is unknown, create account. 19. If new invoicing plan, add to invoicing plans.
	20. 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
		21. 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.
		22. Process and apply the new charges.
		23. Process payment when received.
		24. 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.
	25. If <code>PolicyPeriod.ConfirmationNotificationState == NotifyUponSufficientPayment</code> , BillingCenter notifies PolicyCenter that sufficient payment has been received by calling the <code>PolicyRenewalAPI.confirmTerm</code> method.	
26. Set <code>Policy.PolicyTerm</code> flag to <code>true</code> .		
	27. PolicyCenter sends BillingCenter a message that the policy term/period is officially confirmed.	
		28. Record the confirmation by setting <code>PolicyPeriod.TermConfirmed</code> to <code>true</code> .

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 details 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. This step applies to most jobs, but not Cancellation. A payment through the payment gateway can also be made for changes and other transactions.		
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.

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 insurer 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 insurer, 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** (insurer) 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 insurer, 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 insurers 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 insurers 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 events 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, insurers 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.

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. Insurers 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 insurer 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

- “Accounts Overview” on page 65

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

- “Producers” on page 85

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 perform the following actions.

- 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 497 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 483 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.

See also

- For general information about web services, see “Web Services Introduction” on page 25 in the *Integration Guide*.
- For billing-related web services published by BillingCenter, see “Billing Web Services” on page 85 in the *Integration Guide*.
- For information on integrating BillingCenter with PolicyCenter, see “Billing System Integration” in the *PolicyCenter Application Guide*.

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 370
- “New and Updated Contacts” on page 370
- “Detecting Duplicates in the Contact Management System” on page 372
- “Duplicate Contacts in BillingCenter” on page 375
- “Deleting, Removing, and Inactivating a Contact” on page 376

- “Customizing the Contact Management System Integration” on page 377

See also

- “Contact Integration” on page 473 in the *Integration Guide*
- “Integrating ContactManager with Guidewire Core Applications” on page 39 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.

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 the 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.

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 173 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.

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 177 in the *Contact Management Guide*

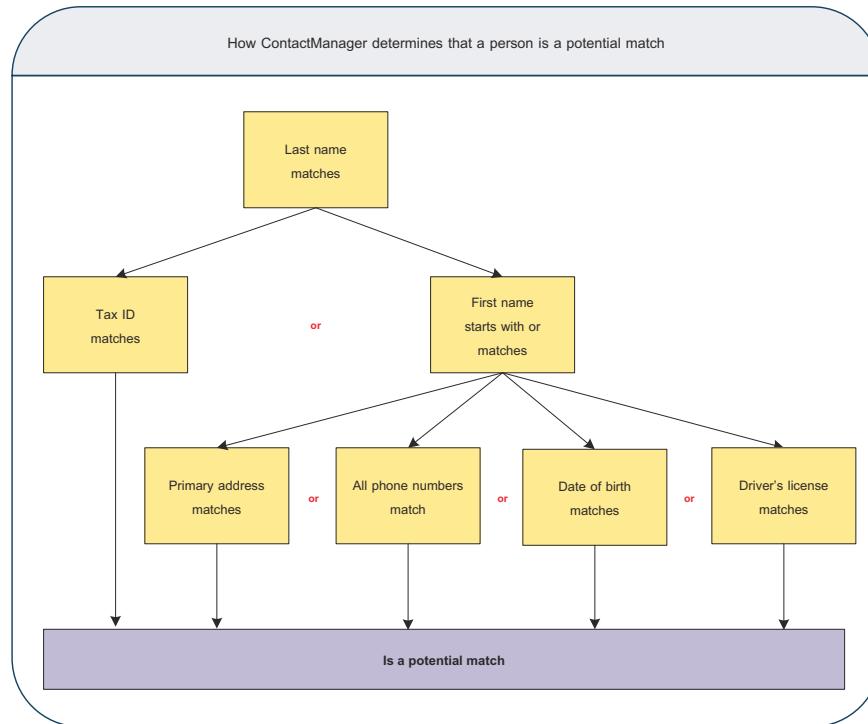
How ContactManager Determines Duplicates for a Person

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.

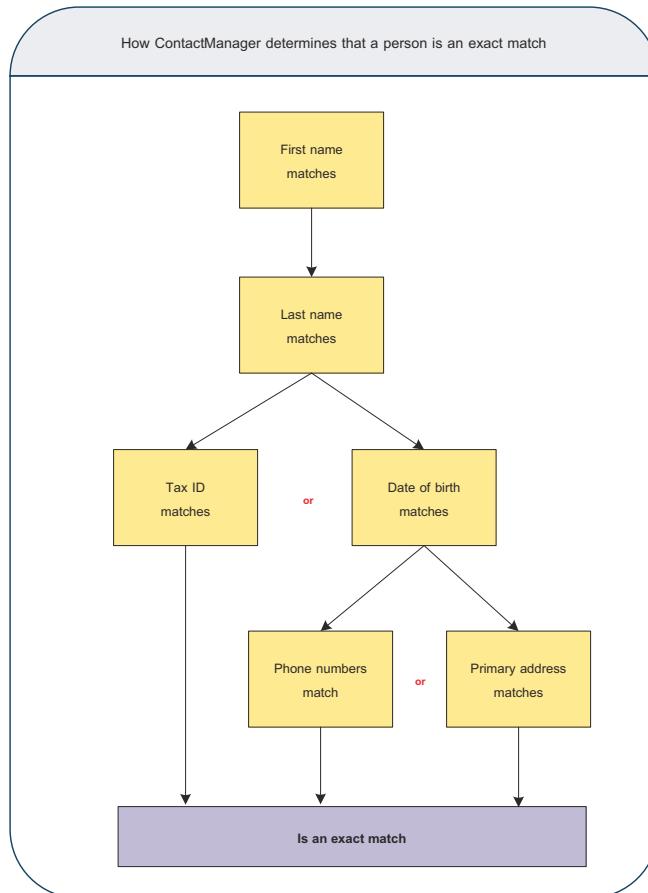
ContactManager first looks for a potential match. The following illustration shows the various paths through which ContactManager determines that a person is a potential match.



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.



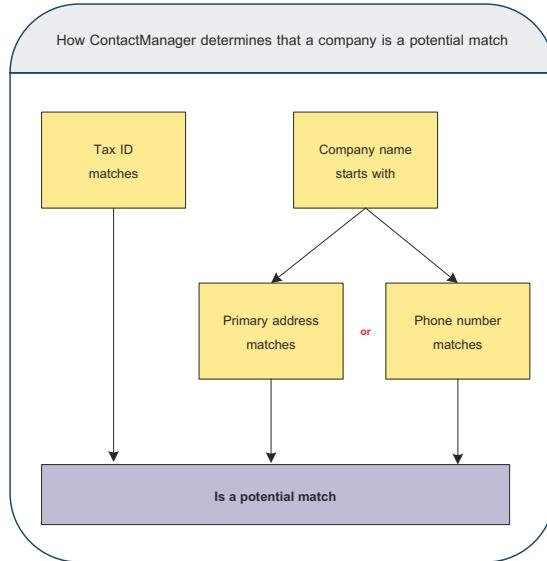
How ContactManager Determines Duplicates for a Company

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.

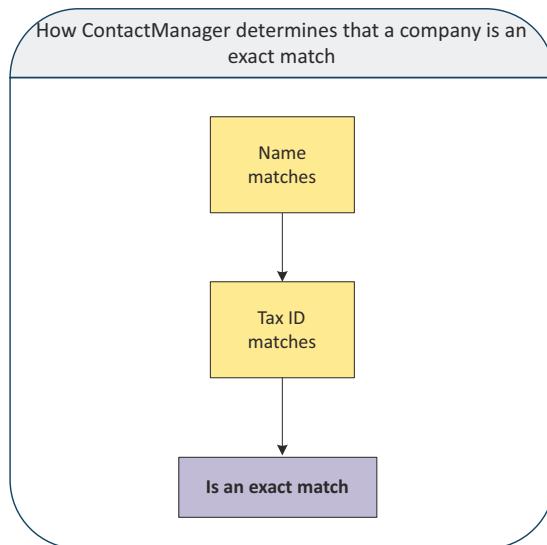
ContactManager finds a potential match if it finds a potential match through any path. The following illustration shows how ContactManager determines that a company is a potential match.



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`.

See also

- “Contact Web Service APIs” on page 479 in the *Integration Guide*

Deleting, Removing, and Inactivating a Contact

ContactManager can delete a contact. ContactManager first queries the other applications on whether the contact can be deleted. If all applications report that the contact can be deleted, ContactManager deletes it.

BillingCenter can be configured to delete a contact. It is possible for BillingCenter to be both configured to delete contacts and also integrated with ContactManager. In this scenario, when BillingCenter deletes a contact, the default integration does not send a delete notification message to ContactManager.

ContactManager cannot remove a contact from an account, policy period, or producer. It also cannot make a contact inactive.

In BillingCenter, a contact can usually be removed from an account, a non-archived policy period, or a producer. A contact cannot be removed if it is being used on a past or current policy period or transaction. Contacts also cannot be removed from an archived policy period.

BillingCenter can also make a contact inactive. An inactive contact cannot be added to an account, policy period, or producer. If a contact has been used on past policy periods or transactions, making it inactive does not change the past items.

A deleted contact is removed from the BillingCenter database. A removed or inactive contact remains in the database.

See also

- “Contact Integration” on page 473 in the *Integration Guide*
- “ABContactAPI Web Service” on page 224 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.
- Search for contacts stored in a contact management system.
- Push new contacts from BillingCenter to a contact management system.
- Push or pull updates to contacts from a contact management system to BillingCenter.
- Push or pull updates to contacts from BillingCenter to a contact management system.
- 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 also

- “Contact Web Service APIs” on page 479 in the *Integration Guide*
- “PolicyCenter Support for Contact Searches” on page 98 in the *Contact Management Guide*
- “ABContactAPI Web Service” on page 224 in the *Contact Management Guide*
- “Linking and Synchronizing Contacts” on page 173 in the *Contact Management Guide*
- “Detecting and Merging Duplicate Contacts” on page 209 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.

See also

- “Contact Integration” on page 473 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.

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 also

- “Integrating ContactManager with BillingCenter in QuickStart” on page 52 in the *Contact Management Guide*
- “Configuring PolicyCenter External Contact Synchronization” on page 180 in the *Contact Management Guide*

part X

BillingCenter Administration

Archiving

This topic includes:

- “Overview” on page 381
- “The Archiving Operation” on page 381
- “Archived Policy Period Data” on page 382
- “Archiving Eligibility Criteria” on page 382
- “Maintaining T-Account Balances” on page 383
- “Archive Summaries” on page 385
- “Frozen Entities” on page 385
- “Retrieval” on page 392

Overview

Archiving is the process of removing the unneeded data of a closed policy period from the BillingCenter database and saving it to an external storage device. By reducing the size of the database, performance gains are achieved. After being archived, the policy period still retains a summary of its data for viewing. If a financial operation must be performed on an archived policy period, the archived data can be retrieved and restored to the BillingCenter database.

Archiving policy period data improves the performance of database access and batch process execution. It also reduces storage costs and the time required to upgrade BillingCenter. Finally, archiving enables scaling for very high volume requirements.

The Archiving Operation

The entire archiving operation is performed by a batch process named Archive. The following actions occur during archiving. Each action is described in detail in subsequent sections.

- Policy periods are selected for archiving. To be selected, a policy period must meet certain criteria. For example, the policy period must have been closed for a sufficient amount of time and have no financial activity during that time.
- A freeze set is created consisting of policy period data that can no longer be modified after archiving. All data for the archived policy period is frozen. Also frozen is data for policy periods that are not being archived, but which are related indirectly to the archived policy period. For example, an invoice shared by multiple policy periods freezes all the invoice items contained on it, including those for non-archived policy periods. If the probability is high that the value of a particular item in the freeze set will change in the future, then the selected policy period will not be archived.
- Individual monetary amounts for policy period charges, payments, and commissions are added and saved as summary totals. After the individual amounts have been archived and removed from the BillingCenter database, the saved totals remain available to provide summary information for the policy period.
- To maintain accounting balances after archived policy period data is removed from the database, individual transactions for the policy period payments and commissions are replaced with new archive transactions.
- Optionally, the monetary amounts for archived invoice items and distribution items are added and saved as summary totals. Similar to charges, payments, and commissions, the saved invoice and distribution references remain available to provide billing and payment information for the archived policy period.
- The policy period data is written to an external data storage device, referred to as the archive store. The archive store can be a standard file system, a database, or any other type of storage mechanism. Because each BillingCenter installation will select its own preferred method of data storage, the BillingCenter base configuration does not implement an archive store. Instead, each BillingCenter installation must implement an archive store of its preferred type as part of the configuration process.
- The archived policy period data is removed from the BillingCenter database.

Archived data can be subsequently retrieved and restored to the BillingCenter database. However, the retrieved data remains frozen and cannot be changed. The retrieved policy period can be re-archived. There is no limit to the number of times a policy period can cycle through the archive and retrieval operations.

Archived Policy Period Data

When a policy period is archived, the following types of data are archived and removed from the BillingCenter database.

- All data owned by the policy period. This includes the data related to charges, transactions, invoice items, payments, and commissions.
- All T-accounts owned by the policy period.
- Extension fields that have been tagged as **Extractable**.

Contact information is considered to be located outside of the policy period and is not archived.

See also

- “Entities in the Archive Domain Graph” on page 262 in the *Configuration Guide*

Archiving Eligibility Criteria

The Archive batch process examines each policy period and determines whether the period meets the criteria necessary for it to be archived. All eligibility criteria must be satisfied, including custom criteria defined in configuration.

Archiving eligibility can be specified at the policy level. Eligibility criteria set on a policy applies to its policy periods and specifies whether they can be considered for archiving. In the BillingCenter Policy Summary and Policy Details screens, select Actions → Archiving → Enable/Disable. The Enable/Disable Archiving screen supports the enabling or disabling of archiving eligibility for the policy. If archiving is disabled, none of its policy periods are eligible for archiving. Policy periods that have already been archived, however, remain archived.

Another criteria for archiving is that the policy period must have been closed for a sufficient length of time. This requirement is intended to reduce the probability that additional financial activity will occur on the policy period. The length of time a policy period must be closed can be configured by setting the ArchivePolicyPeriodDays configuration parameter.

If a policy period meets all the BillingCenter eligibility criteria, custom criteria are evaluated. Custom eligibility criteria are defined in the form of Gosu rules.

See also

- Additional BillingCenter eligibility criteria performed by the Archive batch process are described in detail in “Selecting Eligible Policy Periods for Archiving” on page 502 in the *Configuration Guide*.

Maintaining T-Account Balances

Archived policy period data is removed from the BillingCenter database. The removed data includes T-accounts owned by the policy period, Charge Commission T-accounts, Policy Commission T-accounts, and policy period transactions. With the archived data removed from the database, the double-entry accounting balances maintained by BillingCenter are no longer in balance. In order to maintain the balances, special archive T-accounts and transactions are created.

The following archive T-accounts are created when the policy period is archived.

- Archive Commission Retained Rollup T-account
- Archive Commission Rollup T-account
- Archive Gross Rollup T-account

Three types of archive transactions use the archive T-accounts.

Archive Transaction	Description
ArchiveChargePaidFromAccountRollupTxn	Aggregates all ChargePaidFromAccount transactions that paid the archived policy period's charges. Grouped by charge pattern and the Unapplied T-account. Debits: The account's Unapplied T-account and adjusts its balance denorm for the duplicate entry. Credits: The policy period's Archive Gross Rollup T-account.
ArchiveChargePaidFromProducerRollupTxn	Aggregates all ChargePaidFromProducer transactions that paid the archived policy period's charges. Grouped by charge pattern and producer code. Debits: The policy period's Archive Commission Retained Rollup T-account and the producer's Unapplied T-account and adjusts its balance denorm for the duplicate entry. Credits: The policy period's Archive Gross Rollup T-account.
ArchiveCommissionPayableRollupTxn	Aggregates all PolicyCmsnPayable transactions for the archived policy period. Grouped by policy role and producer code. Debits: The policy period's Archive Commission Rollup T-account. Credits: The producer's Commissions Payable T-account and adjusts its balance denorm for the duplicate entry.

Archive Transaction Examples

ChargePaidFromAccount Transactions

Assume a policy period has one or more ChargePaidFromAccount transactions. Each transaction is recorded in the following T-accounts.

Transaction	Debit	Credit
ChargePaidFromAccount	Account Unapplied	Policy Period <Charge Pattern> Due
Additional T-accounts will be debited or credited if the charge is a recapture or a collateral requirement.		

When the policy period data is archived, BillingCenter removed the debits and credits for all of the ChargePaidFromAccount transactions, plus the policy period's <Charge Pattern> Due T-account from the database. To maintain T-account balances, a single ArchiveChargePaidFromAccountRollupTxn transaction is created which aggregates the amounts of the archived ChargePaidFromAccount transactions. The new transaction is recorded in the following T-accounts.

Transaction	Debit	Credit
ArchiveChargePaidFromAccountRollupTxn	Account Unapplied	Policy Period Archive Gross Rollup

ChargePaidFromProducer Transactions

Assume a policy period has one or more ChargePaidFromProducer transactions. Each transaction is recorded in the following T-accounts.

Transaction	Debit	Credit
ChargePaidFromProducer	Producer Unapplied	Policy Period <Charge Pattern> Due
Additional T-accounts can be debited and credited depending on the type of producer charge.		

When the policy period is archived, BillingCenter removes the debits and credits for the ChargePaidFromProducer transactions, plus the policy period's <Charge Pattern> Due T-account from the database. To maintain T-account balances, a single ArchiveChargePaidFromProducerRollupTxn transaction is created which aggregates the amounts of the archived ChargePaidFromProducer transactions. The new transaction is recorded in the following T-accounts.

Transaction	Debit	Credit
ArchiveChargePaidFromProducerRollupTxn	Policy Period Archive Commission Retained Rollup Producer Unapplied	Policy Period Archive Gross Rollup

PolicyCmsnPayable Transactions

Assume a policy period has one or more PolicyCmsnPayable transactions. Each transaction is recorded in the following T-accounts.

Transaction	Debit	Credit
PolicyCmsnPayable	Commissions Payable T-account of Charge Commission or Policy Commission	Producer Commissions Payable

When the policy period is archived, BillingCenter removes the debits and credits for all the `PolicyCmsnPayable` transactions from the database. It also removes the Commissions Payable T-accounts for the Charge Commission and Policy Commission. To maintain T-account balances, a single `ArchiveCommissionPayableRollupTxn` transaction is created which aggregates the amounts of the archived `PolicyCmsnPayable` transactions. The new transaction is recorded in the following T-accounts.

Transaction	Debit	Credit
<code>ArchiveCommissionPayableRollupTxn</code>	Policy Period Archive Commission Rollup	Producer Commissions Payable

Archive Summaries

When a policy period is archived, its data is removed from the BillingCenter database. Individual data items for the period's charges, payments, commissions, and other information are no longer available for viewing. Before archiving occurs, however, the policy period data is summarized into various totals that combine the individual data items. For example, all charges are added together to arrive at a single summary charge total. Similar summary totals are calculated for other categories of archived data. These summary totals are saved in the BillingCenter database and remain available for viewing after the policy period data has been archived. If the archived policy period is subsequently retrieved, the summary totals are automatically removed from the database.

Summary totals are created for the following policy period data items. In addition, summary totals for custom entities can be created through BillingCenter configuration.

- Charges
- Paid amount
- Write-offs
- Commissions earned
- Commissions written off
- Number of delinquencies started on the policy period
- Producer code and role
- Cancellation date, if applicable

See also

- “Archive Summary Technical Information” on page 503 in the *Configuration Guide*

Frozen Entities

When archived data is removed from the BillingCenter database, non-archived data associated with the removed data can be left incomplete. For example, an invoice that contains items from multiple policy periods will be missing data after one of the policy periods is archived. The missing archived data presents significant challenges when attempting to modify the remaining non-archived data. To guarantee data accuracy, restrictions are placed on the ability to modify incomplete non-archived data.

A non-archived data entity is frozen if it has one or more of its associated entities removed by archiving. A frozen entity cannot be changed. It can be neither edited nor reversed, and items cannot be added to or removed from it. Further, when an entity is frozen, it remains frozen permanently, even if the associated archived policy period data is retrieved.

The following types of entities can be frozen.

- Policy periods
- Invoices

- Invoice items
- Distributions
- Distribution items
- Archive summaries

Notice that contacts on the policy period are not frozen. Contacts are considered to be located outside of the policy period. Accordingly, they are neither archived nor frozen. Contacts on an archived policy period have no restrictions placed on their ability to be modified or removed from the policy period.

In addition to being unmodifiable, a frozen entity can occasionally restrict the operations that can be performed on non-frozen entities. For example, a non-frozen distribution can include both frozen and non-frozen distribution items. The frozen items will prevent the distribution from being reversed, even though the distribution itself is not frozen.

Partially Frozen Entities

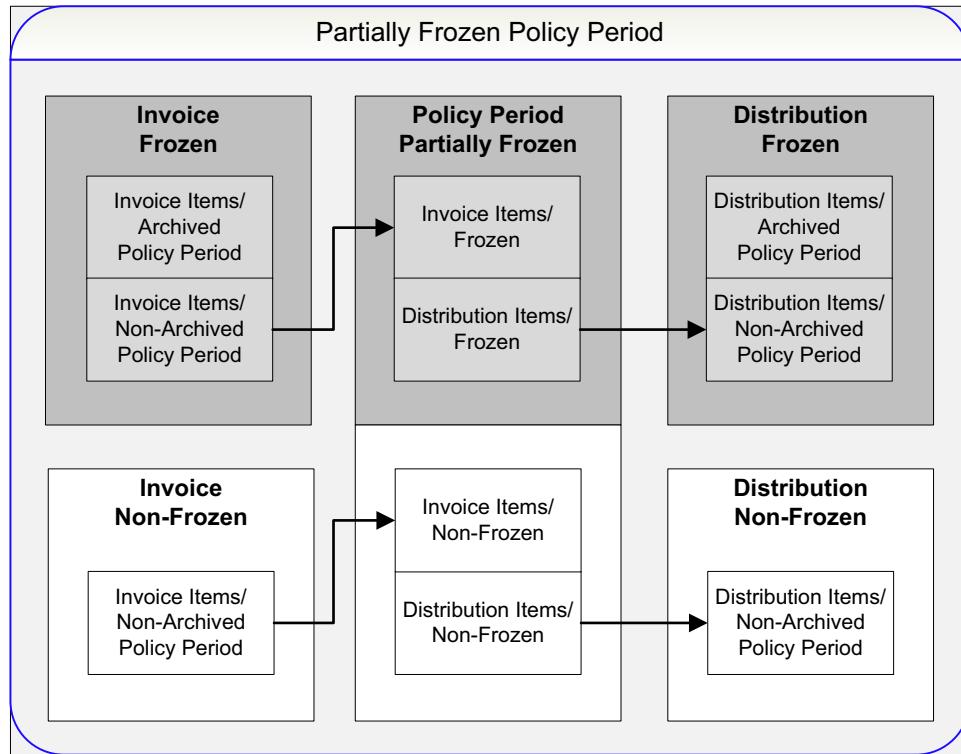
A partially frozen data entity contains a combination of frozen and non-frozen entities. The frozen entities cannot be changed, but the non-frozen entities remain modifiable.

Only policy periods and distributions can be partially frozen. An invoice can never be partially frozen even though it contains multiple invoice item data entities. When a single invoice item on an invoice becomes frozen, the entire invoice and all the other invoice items on it are frozen.

When a policy period is archived, it is considered frozen. A non-archived policy period that shares invoices or distributions with an archived policy period can be partially frozen. For example, a partially frozen policy period might have an invoice item on a frozen invoice and other items on non-frozen invoices. Similar scenarios can occur with distributions that pay the policy period's invoice items.

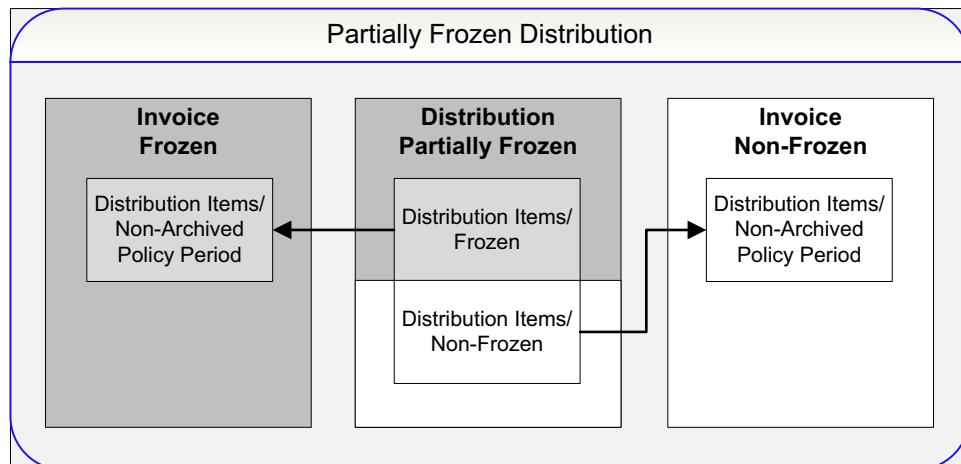
Finally, a non-archived policy period is partially frozen if it shares an invoice with another partially frozen policy period. Notice in this case that the non-archived policy period does not directly share data with the archived period. However, the period is partially frozen nonetheless because it shares data with a policy period that is in direct contact with the archived period.

The following illustration shows the various combinations of frozen and non-frozen invoices and distributions that can comprise a partially frozen policy period.



A partially frozen policy period can still change its payment plan, but frozen items will not be modified when applying the change. Also, a partially frozen policy period cannot override the commission rate because the override affects all invoice items, including frozen items. Instead, the rate must be changed on each individual non-frozen invoice item.

A distribution is partially frozen if it pays both non-frozen and frozen invoice items, none of which belong to an archived policy period. If the distribution pays one or more items in an archived policy period then the entire distribution is frozen.



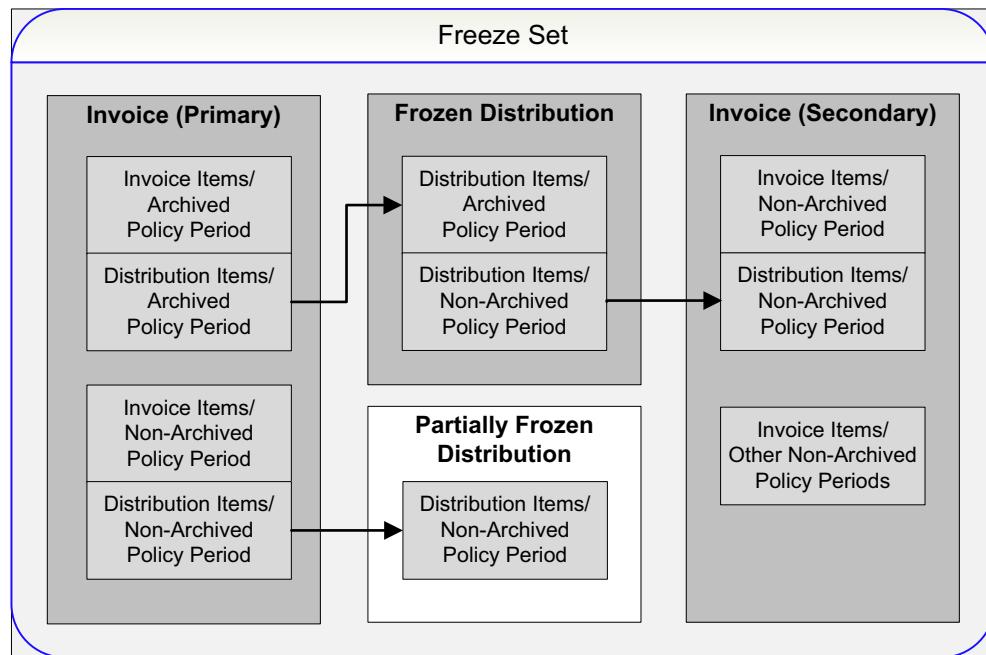
Freeze Set

When policy period data is archived, BillingCenter determines the associated non-archived entities that must be frozen. The resulting group of frozen entities is called the freeze set. The entities in the freeze set are subsequently examined to determine whether the policy period can be archived.

When determining the entities in the freeze set, BillingCenter begins by freezing the policy period data being archived. Then, BillingCenter threads through the associated non-archived data, freezing the appropriate entities as it progresses. The following list describes the factors used to determine whether an entity is included in the freeze set.

- When a policy period is archived, every invoice that contains an invoice item for the policy period is frozen.
- A frozen invoice freezes all invoice items on the invoice, including items for non-archived policy periods.
- A frozen invoice item freezes the distribution item that pays it.
- A distribution that pays an invoice item of an archived policy period freezes all of its distribution items, including items for non-archived policy periods.
- A frozen distribution item freezes the invoice that contains the invoice item it pays. The frozen invoice then freezes all the other invoice items on it.
- Although the policy period's archive summaries are frozen, they are not included in the freeze set. They are irrelevant to the freeze set because archive summaries are never used to determine whether a policy period can be archived.

The list of determining freeze set factors is shown graphically below. Every shaded item shown in the illustration is included in the freeze set.



Notice that the partially frozen distribution is not in the freeze set, but its frozen distribution items are included.

Also, even though the secondary invoice contains only non-archived policy period data, it is included in the freeze set because of its relationship with the frozen distribution. Additionally, the bottom of the secondary invoice shows invoice items for non-archived policy periods that do not directly share an invoice or distribution with the archived period. These types of policy periods will be partially frozen, assuming they have other invoice items on non-frozen invoices.

After the freeze set has been determined, each item in the set is evaluated to determine whether the item is safe to freeze. A data entity is considered not safe to freeze if the item can reasonably be expected to be modified in the future.

An invoice or invoice item is considered safe to freeze if:

- The last financial transaction performed against it occurred at least a specified number of days ago. The number of days is configurable and is specified in the `ArchivePolicyPeriodDays` configuration parameter.
- The invoice date is at least `ArchivePolicyPeriodDays` ago.

A distribution or distribution item is considered safe to freeze if:

- The distribution occurred at least a specified number of days ago. The number of days is configurable and is specified in the `ArchivePolicyPeriodDays` configuration parameter.
- The distribution does not have an active suspense item.

If any entity in the freeze set is not safe to freeze, the policy period is not archived. The policy period will be reconsidered for archiving at a configurable future date.

See also

- “Freeze Set Technical Information” on page 504 in the *Configuration Guide*

Freezing Scenarios

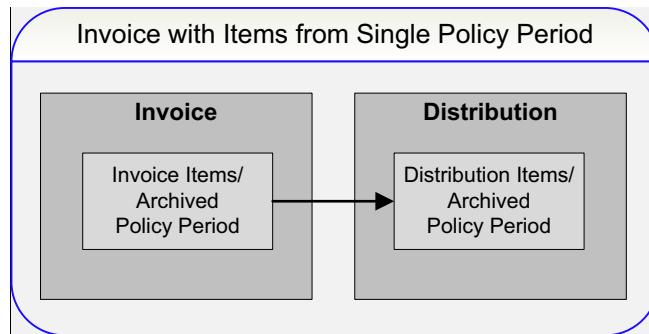
This section examines some common scenarios to demonstrate how entities are selected for the freeze set.

Invoice Contains Items from Single Policy Period

The arrangement where each invoice contains items for only a single policy period occurs when an account uses policy-level billing. This scenario presents the simplest example of freeze set selection.

When the policy period is archived, each invoice that contains an invoice item for the period is frozen. All other invoice items on the frozen invoice are also frozen. However, because the frozen invoice contains only items for the archived policy period, no other non-archived policy period data is affected.

Similarly, distributions are applied to a single policy period, so any distributions and distribution items that pay the invoice items on the frozen invoice are also frozen. The distribution does not pay invoice items for another policy period, so there are no effects to other periods.

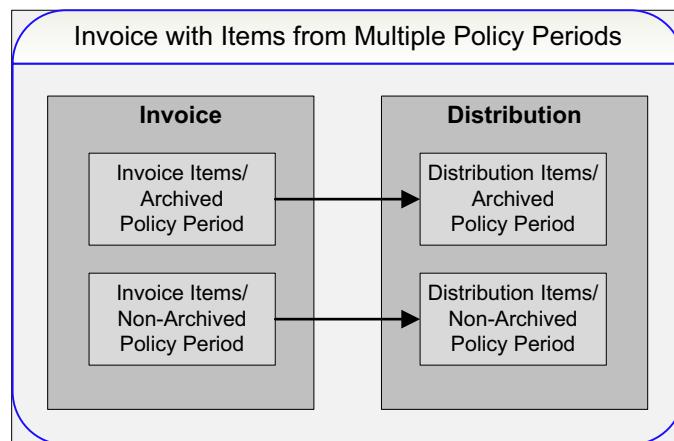


Invoice Contains Items from Multiple Policy Periods

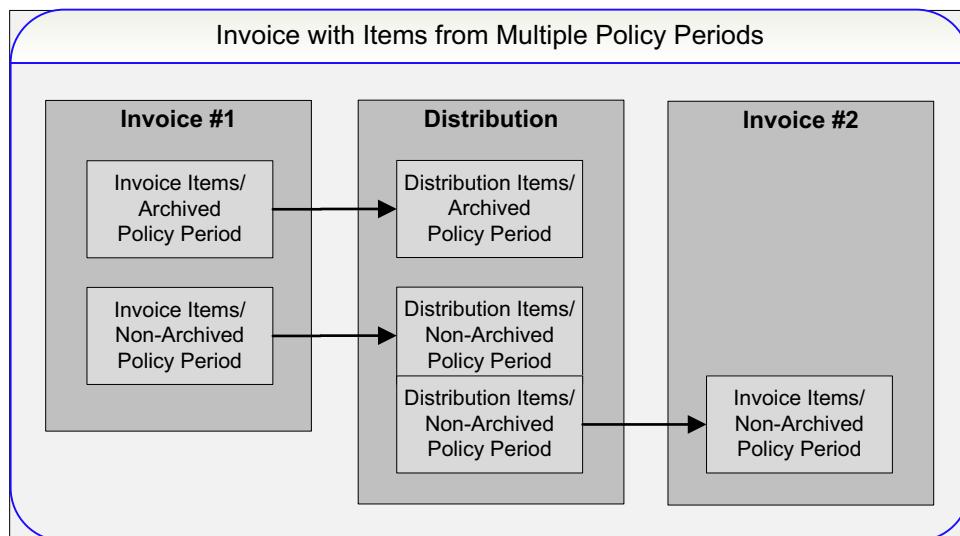
When an invoice contains items from multiple policy periods and one of the policy periods is archived, both policy periods are affected.

The invoice and all the invoice items on it are frozen, including the items belonging to the non-archived policy period. An invoice can never be partially frozen.

The distribution items that pay the frozen *archived* invoice items are also frozen. Similarly, the distribution items that pay the frozen non-archived invoice items are frozen. Typically, the non-archived policy period has additional invoice items on other non-frozen invoices. In this case, the policy period ends up being partially frozen and it contains a combination of frozen and non-frozen data items.

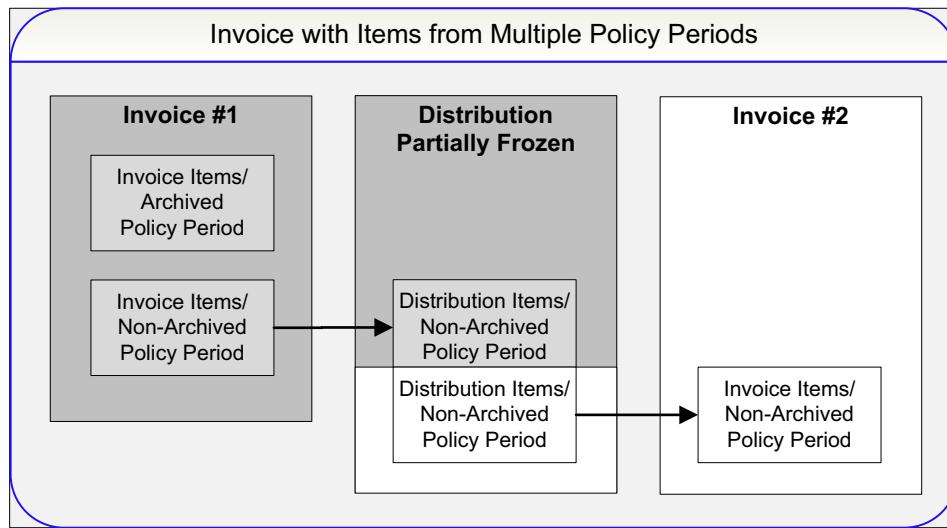


An interesting situation develops when the distribution pays items on an archived policy period. In such cases, the entire distribution and all the items it pays are frozen. Let's expand the examined scenario so that the distribution also pays non-archived items contained on another, second invoice.



Because the entire distribution is frozen, all of the invoice items it pays on the second invoice are also frozen. Further, because an invoice can never be partially frozen, the second invoice and all items on it are frozen, regardless of the policy period they belong to. This is as far as the freeze set extends. Theoretically, it could continue until nearly every existing invoice and distribution was frozen, but BillingCenter explicitly cuts the expansion of the freeze set at this point.

As stated, the second invoice is frozen because the distribution paid items for the archived policy period. If the scenario is changed so the distribution does not pay any archived items, the results are quite different, as shown in the following illustration. The non-shaded, white items are not frozen.



In this scenario where the distribution pays no archived invoice items, the distribution items that pay invoice items on the frozen Invoice #1 are still frozen. However, the freeze set stops there. The other invoice items paid on the second Invoice #2 are not frozen, and so Invoice #2 is also not frozen. The resulting distribution is partially frozen, paying a combination of frozen and non-frozen invoice items. The final result is due to the fact that the distribution did not pay any invoice items on the archived policy period.

Archive References

When a policy period is archived, its invoice items and distribution items are removed from the BillingCenter database. Accordingly, when an invoice or distribution that includes the archived items is accessed, the archived data will be missing. To handle situations where the missing data would be problematic, summary information for the entire invoice or distribution can be saved by creating archive references.

Archive references are summary totals created by adding various values for all the invoice items on a frozen invoice and distribution items in a frozen distribution. Archive references can be configured to calculate any summary total desired. The references are saved in the BillingCenter database as part of the standard archiving operation. The summary totals can be accessed in subsequent situations where the missing archived data is needed.

As a simple demonstration of archive references, assume an invoice contains the following invoice items.

- \$100 charged and paid
- \$50 charged and paid
- \$25 charged, but never paid. The item was ultimately written off.

The resulting archive reference can include the following three totals.

- Amount charged: \$175
- Amount paid: \$150
- Amount written off: \$25

Archive references are optional. They are available for configurations that require the functionality they provide. BillingCenter does not use archive references in its base configuration.

The base configuration provides a sample implementation of archive references to demonstrate how to create them.

See also

- “Archive Reference Technical Information” on page 506 in the *Configuration Guide*

Retrieval

Archived policy period data can be retrieved from the external storage device and restored to the BillingCenter database.

No restrictions exist on whether an archived policy period can be retrieved. For example, it is not necessary to retrieve earlier or later archived periods before retrieving a particular period.

The retrieval of an archived policy period is initiated by making a request in BillingCenter. The requesting user must have the `ArchiveRetrieve` permission on their role. The request is made from the **Policy Summary** screen of an archived policy period. The screen includes an active **Request Retrieve** button. Click the button to view the **Request Retrieve** screen.

The **Request Retrieve** screen gathers relevant information. This includes the user making the request, the reason for the retrieval, and whether to create an activity to track the success or failure of the retrieval.

The policy period is not immediately retrieved after submitting the request. The policy period data is retrieved the next time the **Retrieve** batch process is run.

As part of the retrieval operation, the archive summaries that were created when the policy period was archived are removed from the BillingCenter database. The archive transactions created to maintain T-account balances are also removed. Finally, if archive references exist, they are also removed.

After the retrieval, some restrictions exist on the retrieved policy period data. The policy period itself is no longer frozen and it remains in its original **Closed** state. However, all other data that was frozen when the policy period was archived remains frozen after retrieval and cannot be modified. If changes to the frozen data are desired, the changes must be applied to new data items.

A retrieved policy period can receive and process any type of billing instruction as long as the instruction does not attempt to change the period’s frozen data. If the policy period is closed, certain billing instructions reopen the period automatically.

A retrieved policy period can be archived again in the future. In the base configuration, no limit exists for the number of times a policy period can be archived and retrieved. If such a limit is desired, a maximum number of archive/retrieve cycles can be configured by limiting the number of retrieval requests that can be made for a policy period.

See also

- “Reopening a Closed Policy Period” on page 80
- “Retrieval Technical Information” on page 507 in the *Configuration Guide*

Workflows

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, from the **Administration** tab, select **Monitoring → Workflows** to manage all or a group of selected workflows from a central point. 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 also

- “Guidewire Workflow” on page 353 in the *Configuration Guide*

chapter 49

Security

Security in BillingCenter is managed through users, roles, authority limit profiles, and security zones. Security settings can be viewed in the Security Dictionary. Access to documents and notes can also be controlled.

This topic includes:

- “Users” on page 395
- “Roles” on page 398
- “Authority Limit Profiles” on page 399
- “Security Zones” on page 401
- “Security Dictionary” on page 404
- “Access Control for Documents and Notes” on page 404

Users

A user is a person registered and recognized by BillingCenter. A user is typically able to perform specific billing and administrative tasks.

Each user has various information associated with it.

- A name and password for logging in to BillingCenter.
- A role that specifies the individual tasks the user has permission to perform.
- A limit to the monetary amount of financial transactions the user can authorize.
- Miscellaneous information, such as the person’s address, email, phone number, and employee ID.

Users are defined by BillingCenter administrators. Users can also be imported into BillingCenter from external databases.

Searching for an Existing User

1. From the Administration tab, select **Users & Security** → **Users** to view the **User Search** screen.
2. Enter the search criteria, such as the user’s first and last name.

3. Click **Search**. Users that match the entered criteria are listed in the **Results** section. If the user performing the search has an assigned security zone, the results include only users in the same security zone.
4. To view the user's information, click on the user's name in the **Results** section **Display Name** column.

Creating a New User

A new user can be created by a BillingCenter user having the appropriate permission.

1. Select the **Administration** tab.
2. Select **Actions** → **New User** to show the first screen of the **New User Wizard**.
3. Walk through the wizard's screens entering the appropriate user information. Required fields are marked with a red asterisk.

Modifying a User

1. From the user's information screen, click **Edit**.
2. In the **Basics** tab, enter the user's BillingCenter information, such as user name and password. Roles are also specified in the **Basics** tab. To add a role, click **Add User Role**. A new and empty row is added to the bottom of the role list. Click in the **Name** field to view a list of defined roles. To delete a role, select the role from the list of roles and click **Remove Selected Role**. Required fields are marked with a red asterisk.
3. In the **Authority Limits** tab, enter the user's authority limit profile. An authority limit profile specifies the types of financial transactions the user can create and approve. For each transaction type, the maximum allowed monetary amount is specified. An existing authority limit profile can be assigned to the user by clicking the **Authority Limit Profile** field and selecting a profile from the profile list. The monetary limits contained in the profile are shown in the **Authority Limits** list. The monetary limits cannot be modified in this screen. To modify the limits, see "Authority Limit Profiles" on page 399.
4. In the **Profile** tab, enter the user's personal information, such as address and phone number.
5. Click **Update** to save the user information.

Deleting a User

From the user's information screen, click **Delete User**.

User Login Issues

If a user attempts to log into BillingCenter and repeatedly fails—usually the result of entering an incorrect password—the user can eventually be locked out of BillingCenter.

After a failed login attempt, the user can be prevented from immediately trying to log in again. The length of time a user must wait before attempting to log in again is configurable. The **LoginRetryDelay** configuration parameter specifies the number of milliseconds that must pass before BillingCenter will accept another login attempt from the user. The parameter is defined in the `config.xml` configuration file.

The number of failed login attempts a user can perform before being locked out of BillingCenter is configurable. The **FailedAttemptsBeforeLockout** configuration parameter specifies the number of consecutive failed login attempts a user can perform before being locked out of BillingCenter. If the parameter value is -1 then an unlimited number of failed login attempts are allowed.

The length of time the user is locked out is also configurable. The **LockoutPeriod** configuration parameter specifies the number of seconds the lockout period remains in effect. When the lockout period expires, the user is automatically unlocked. If the parameter value is -1 then the lockout period never expires. In such a case, the user must be manually unlocked by an administrator.

An administrator with the appropriate permission can unlock a user by performing the following operations.

1. From the **Administration** tab, select **Users & Security** → **Users** to view the **User Search** screen.
2. Perform a search for the user and view his information. In the **Basics** tab, verify the **Locked** property is set to **Yes**.
3. Click the **Edit** button.
4. Set the **Locked** property to **No**.
5. Click **Update** to save the new property setting.

Groups

Users can be placed in one or more work-related groups. Groups are organized hierarchically in parent and child relationships. A group can also be a member in another group. Groups can be based on an organization's internal structure or on some other basis.

Group hierarchy is a tree structure. A parent group has one or more child groups. Each child group may itself be a parent to other child groups. Each child group has exactly one parent. All groups are contained somewhere in the tree hierarchy; a group cannot exist outside of the hierarchy.

Each group has the following characteristics.

- Each group has a single parent, except for the top-level, root group, which has no parent.
- A group can have any number of members and child groups.
- Each group has one supervisor. The supervisor can also be a member of the group.
- A group can be associated with one or more regions. Assignment rules can take the group's region into consideration.
- A group can be a member of a security zone.

Groups are defined by BillingCenter administrators. Groups can also be imported into BillingCenter from external databases.

See also

- “Importing and Exporting Administrative Data from BillingCenter” on page 238 in the *System Administration Guide*

Viewing Existing Groups

To view a list of existing groups, from the **Administration** tab, select **Users & Security** → **Groups**.

To view a group's information and a list of users in the group, click a group in the **Name** column.

Creating a New Group

1. Select the **Administration** tab.
2. Select **Actions** → **New Group** to show the **New Group** screen. Alternatively, select **Users & Security** → **Groups** in the Sidebar to show the **Groups** screen and click the **New Group** button to show the **New Group** screen.
3. Enter the group information. Required fields are marked with a red asterisk. Each group must be assigned a security zone.

To add a user to the group, click the **Add** button and fill in the user information. The **User** field supports a search capability to retrieve an existing user.

The **Vacation Status** and **Backup User** fields for each user are not utilized by the BillingCenter base configuration. Configuration code must be written to implement the desired functionality.

4. Click **Update** to save the new group.

Adding and Removing Group Users

1. In the **Groups** screen, click the desired group to show its information screen.
2. Click the **Edit** button.
3. To add a user, click the **Add** button to add a new entry to the list of users. The **User** and **Backup User** fields support a search capability to locate a particular user. Required fields are marked with a red asterisk.
4. To remove a user, select the user and click **Remove**.
5. To remove a user's backup user, select the user and click **Clear Backup User**.
6. Click **Update** to save the modified group.

Deleting a Group

A group can be deleted only if it has no users and no child groups. Before deleting a group, remove all of its users and either delete its child groups or attach the child groups to a different parent group.

When the group can be deleted, a **Delete Group** button is active in the group's information screen. Click the button to delete the group.

Roles

A BillingCenter user has one or more roles. Each role specifies permissions for tasks that the user is authorized to perform. The role also defines which information the user has access to.

The BillingCenter base configuration provides several roles. New roles can be defined, and existing roles can be modified or deleted.

Viewing Existing Roles

To view a list of existing roles, from the **Administration** tab, select **Users & Security** → **Roles**.

To view a role's permissions and a list of users assigned the role, click a role from the **Name** column.

Creating a New Role

1. From the **Administration** tab, select **Users & Security** → **Roles** to view the list of existing roles.
2. Click **New Role** to show the **New Role** screen.
3. In the **Permissions** tab, enter the role information. Required fields are marked with a red asterisk.
4. Add the permissions allowed for the role. Permissions specify the tasks the user assigned the role is authorized to perform. To add a permission, click **Add**. The required permission fields are marked with a red asterisk.
5. In the **User** tab, add the users to assign the new role to. To add a user, click **Add** to show a list of users. Select the desired user. A role can also be assigned to a user by going to the **User** information screen and clicking **Edit**.
6. Click **Update** to save the new role.

Modifying a Role

1. From the **Roles** screen and its list of existing roles, click the desired role in the **Name** column to display the role's information screen.
2. Click **Edit** to show the role information screen in edit mode.
3. In the **Permissions** tab, change the role information as desired. To add a permission to the role, click **Add**. An empty permission entry is added to the bottom of the permission list. Click the **Permission** text box to view a list of available permissions.
To remove a permission from the role, select the permission and click **Remove**.
4. The **User** tab, lists the users that have the role. To add a user, click **Add** to show the **Search Users** screen. Search for the desired user and select it to assign the current role to the user. To remove the role from a user, select the user and click **Remove**.
5. Click **Update** to save the modified role.

Deleting a Role

From the **Roles** screen and its list of existing roles, select one or more roles and click **Remove**.

Permissions

A permission typically identifies a particular task or group of tasks in BillingCenter. It can also specify a BillingCenter screen that a user can view.

Each role is assigned one or more permissions. Roles are assigned to users. The permissions granted in the user's role define the tasks the user can perform and the BillingCenter screens the user can view.

Creating a New Permission

Permissions are created in Guidewire Studio.

1. Navigate to **configuration** → **config** → **Extensions** → **Typelist** and open the **SystemPermissionType.ttx** typelist extension.
2. Add a new typecode. Set the values of its required fields.

Finally, write configuration code that manages the permission, allowing the user to perform a particular task or view a particular screen based on whether the user's role includes the permission.

Deleting a Permission

Permissions are deleted in Guidewire Studio.

1. Navigate to **configuration** → **config** → **Extensions** → **Typelist** and open the **SystemPermissionType.ttx** typelist extension.
2. Remove the permission's typecode.

Update all configuration code that references the deleted permission typecode.

Authority Limit Profiles

Authority limit profiles specify the types of financial transactions a user is authorized to create or approve. Also specified is the maximum monetary amount allowed for each financial transaction type.

A BillingCenter user can have zero or one authority limit profile.

Viewing Authority Limit Profiles

To view a list of existing authority limit profiles, from the **Administration** tab, select **Users & Security** → **Authority Limit Profile**.

To view a profile's information and a list of its monetary limits, click a profile in the **Name** column.

Creating a New Authority Limit Profile

1. From the **Administration** tab, select **Users & Security** → **Authority Limit Profile** to view the list of existing profiles.
2. Click **Add Authority Limit Profile** to show the **New Authority Limit Profile** screen.
3. Enter the profile's information. Required fields are marked with a red asterisk.
4. To add a monetary limit to the profile, click **Add**. A new and empty limit row is added to the bottom of the list. Enter the limit's field values. Required fields are marked with a red asterisk.
The **Limit Type** field specifies the type of financial transaction. Click the field to view a list of available transaction types.
The **Limit Number** field specifies the maximum monetary limit allowed by the profile. Enter the monetary amount in the **Limit_Number** field. When input focus moves to another field, the amount is automatically filled in the adjacent **Limit_Amount** field using the appropriate currency notation.
5. To remove a monetary limit from the profile, select the limit and click **Remove**.
6. Click **Update** to save the new profile.

Modifying an Authority Limit Profile

1. From the **Authority Limit Profile** screen and its list of existing profiles, click the desired profile in the **Name** column to display the profile's information screen.
2. Click **Edit** to show the profile information screen in edit mode.
3. Edit the profile information, including adding and removing monetary limits, as desired.
4. Click **Update** to save the modified profile.

Deleting an Authority Limit Profile

From the **Authority Limit Profile** screen and its list of existing profiles, select one or more profiles and click **Delete**.

Limit Types

The following limit types are supported. The financial transaction that the type authorizes is also described. The monetary limit for each type is defined when the type is added to a profile. Each profile can specify a different monetary limit for a type.

Limit Type	Financial Transaction Authorized
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.
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.

Limit Type	Financial Transaction Authorized
Collections Credit	Create an account level collections credit transaction.
Collections Credit Reversal	Create an account level collections credit transaction reversal.
Fee Reversal	Reverse an existing fee.
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 to Producer Cash Transfer	Transfer funds from one producer's CommissionsPayable T-account to another producer's Cash T-account.
Producer CommissionsPayable Transfer	Transfer funds from one producer's CommissionsPayable T-account to another producer. It creates a 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.

Security Zones

A security zone restricts the access of an account, policy, producer, or group of users to BillingCenter users who have access to the zone. To gain access to a security zone, the user must belong to a group in the same zone. For example, an account in **SecurityZoneA** can be viewed and modified only by a user who belongs to a group that is also in **SecurityZoneA**.

Various permissions are defined that override the security zone restrictions. A user with a role that includes one or more of the override permissions can access entities outside of its own security zone.

An account, policy, or producer can be in zero or one security zone. A group of users must be in a security zone. An entity that is not assigned a security zone can be accessed without restriction.

If a user has access to an account, but not to the account's policies, then the user will see some, but not all, of the policy's information. The accessible policy information is limited to that shown in the **Open Policy Status** area of the **Account Details** screen.

Security Zones and Searches

Security zones can influence search results. When a user conducts a search, BillingCenter excludes any entities that are assigned to any security zone the user does not have access to. For example, assume Andy Applegate has access only to **SecurityZoneA** and the Big Lake Bakery account is assigned to **SecurityZoneB**. Whenever Andy Applegate searches for accounts, BillingCenter excludes Big Lake Bakery from the search results.

The following entities are owned by accounts. When searching for these entities, the search results exclude any entities owned by accounts that are assigned to a security zone the user does not have access to.

- Direct Bill Suspense Item
- Delinquency Process
- Disbursement
 - Account
 - Collateral
- Invoice
- Payment
 - Direct Bill Money Received
 - Suspense Payment, if it has been applied to an account
 - Payment Request

The following entities are owned by policy periods. When searching for these entities, the search results exclude any entities owned by policy periods that are assigned to a security zone the user does not have access to.

- Delinquency Process

The following entities are owned by producers. When searching for these entities, the search results exclude any entities owned by producers that are assigned to a security zone the user does not have access to.

- Agency Money Receipt
- Disbursement
 - Agency
- Payment
 - Agency Bill Money Received
 - Suspense Payment, if it has been applied to a producer
 - Outgoing Producer Payment

The following entities cannot be assigned to a security zone. Therefore, searches for these entities are not filtered by security zones.

- Trouble Ticket
- Activity
- Contact
- Transaction

BillingCenter includes three system permissions that let users bypass security zone restrictions. When a user has one or more of these permissions, searches for the corresponding entity or the entities it owns are not filtered by security zones.

- acctignoresecurityzone
- prodignoresecurityzone
- plcyignoresecurityzone

For example, assume Alena Andrews and Andy Applegate are assigned to SecurityZoneA and the Big Lake Bakery account is assigned to SecurityZoneB. Alena Andrews has the acctignoresecurityzone permission, but Andy does not. Whenever Alena Andrews searches for accounts, BillingCenter potentially includes Big Lake Bakery in the search results. Whenever Andy Applegate searches for accounts, BillingCenter always excludes Big Lake Bakery from the search results.

Viewing Security Zones

To view a list of existing security zones, from the **Administration** tab, select **Users & Security → Security Zones**.

To view a security zone's information, click a zone in the **Name** column.

Creating a New Security Zone

1. From the Administration tab, select **Users & Security** → **Security Zones** to view the list of existing zones.
2. Click **New Security Zone** to show the **New Security Zone** screen.
3. Enter the zone's information. Required fields are marked with a red asterisk.
4. Click **Update** to save the new security zone. After a security zone has been created, it cannot be deleted.

Modifying a Security Zone

1. From the **Security Zone** screen and its list of existing zones, click the desired security zone in the **Name** column to display the zone's information screen.
2. Click **Edit** to show the zone information screen in edit mode.
3. Edit the security zone information as desired.
4. Click **Update** to save the modified security zone.

Deleting a Security Zone

A security zone cannot be deleted.

Assigning an Account to a Security Zone

1. In the **Account Details** screen with the relevant account active, click **Edit**.
2. In the **Security Zone** field, select the desired security zone from the drop-down list of available zones.
3. Click **Update** to save the assigned security zone.

Assigning a Policy to a Security Zone

1. In the **Policy Details** screen with the relevant policy active, click **Edit**.
2. In the **Security Zone** field, select the desired security zone from the drop-down list of available zones.
3. Click **Update** to save the assigned security zone.

Assigning a Producer to a Security Zone

1. In the producer **Summary** screen with the relevant producer active, click **Edit**.
2. In the **Security Zone** field, select the desired security zone from the drop-down list of available zones.
3. Click **Update** to save the assigned security zone.

Assigning a Group of Users to a Security Zone

1. From the Administration tab, select **Users & Security** → **Groups** to view the list of existing groups.
2. Click a group in the **Name** column to view its information.
3. Click **Edit**.
4. In the **Security Zone** field, select the desired security zone from the drop-down list of available zones. Groups must be assigned a security zone.
5. Click **Update** to save the assigned security zone.

Overriding Security Zones

BillingCenter provides permissions to override the security zone restrictions. If the user has a role that includes an override permission, he will be able to access entities or users in any security zone.

Permission	Entity
acctignoresecurityzone	Account
p1cyignoresecurityzone	Policy
prodignoresecurityzone	Producer
userviewall	User

Security Dictionary

The Security Dictionary contains security-related information. The links at the top of the Sidebar determine how the security information is presented.

- **Application Permission Keys** – Lists the BillingCenter permissions alphabetically by key name. Click the **Summary** link to view the permissions grouped by entity. The Summary page also shows the permission settings at the time the dictionary was generated. Select a permission to view its description, permission name, and PCF references to the permission.
- **Pages** – Lists the BillingCenter PCF screen pages alphabetically. Select a page to view the permissions used on the page.
- **System Permissions** – Lists the BillingCenter permissions alphabetically by permission name. Select a permission to view the roles that include the permission, the permission's key name, and PCF references to the permission.
- **Roles** – Lists the defined roles at the time the dictionary was generated. Select a role to view the permissions included in the role.

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-->
        <DocumentCreatePermission permission="perm"/>     <!-- allow this permission to create-->
        <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-->
        <NoteCreatePermission permission="perm"/>       <!-- allow this permission to create-->
        <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 407
- “Working with Holidays, Weekends, and Business Weeks” on page 407
- “Using Gosu Methods to Work with Holidays” on page 408
- “Business Weeks and Business Hours” on page 409
- “Holiday Permissions” on page 410

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.

Adding a Holiday

To add a holiday, the BillingCenter user must be logged in with administrator privileges.

1. From the **Administration** tab, select **Business Settings** → **Holidays** to view the **Holidays** screen and the list of holidays.
2. Click **Add Holiday** to create a new holiday.
3. Enter the holiday name, date, and type into the screen.
4. Click **Update**.

Editing a Holiday

1. From the **Administration** tab, select **Business Settings** → **Holidays** to view the **Holidays** screen and the list of holidays.
2. Select the holiday to edit by clicking its link in the **Holiday** column. The holiday's field values are shown.
3. Click **Edit**.
4. Edit the field values as desired.
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.
5. Click **Update**.

You might need to change the **Date** of some holidays annually.

Deleting a Holiday

1. From the **Administration** tab, select **Business Settings** → **Holidays** to view the **Holidays** screen and the list of holidays.
2. Select the holiday to delete.
3. Click **Delete**.

Creating a new Zone or Type

1. In Guidewire Studio, navigate to the typelist that you want to modify.
2. Edit the typelist fields as desired.
 - **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 409

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 an insurer begin on Monday and end on Saturday. For this insurer, 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.

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 36 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, an insurer promises to respond to all inquiries and claims within two hours after receiving an inquiry. You call the insurer on Friday at 4:30 p.m., and Monday is a holiday. The insurer 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.

While certain methods might appear to be similar, they can have different results.

- 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 Super User role has these permissions.

chapter 51

Administration Utilities

This topic describes tasks that you access from the **Administration** tab's **Utilities** menu in BillingCenter.

This topic includes:

- “Importing and Exporting Data” on page 411
- “Administering Script Parameters” on page 411
- “Administering Data Changes” on page 412

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

- “How to Import Administrative Data into BillingCenter” on page 238 in the *System Administration Guide*
- “How to Export Administrative Data from BillingCenter” on page 239 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 defined in Guidewire Studio. Script parameters and their values are stored in the `ScriptParameters.xml` file.

After being defined, a script parameter can be modified in either Studio or through the BillingCenter user interface.

- In the Guidewire Studio Project window, navigate to **configuration** → **config** → **resources** and double-click `ScriptParameters.xml` to open the file. Parameters can be created, deleted, and modified. Gosu code can reference a system parameter as a global variable.
- A BillingCenter user must have system administration permission to modify a system parameter value in the user interface. In the **Administration** tab, select **Utilities** → **Script Parameters** to view the list of parameters.

See also

- “Script Parameters” on page 92 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

- “Production Data Fix Tool” on page 247 in the *System Administration Guide*

part XI

Appendices

chapter 52

BillingCenter Transactions

This topic includes:

- “Working with Transactions” on page 415
- “Transaction Table” on page 416

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 Agency Money Received Transaction example explains how the information in the following transaction table relates to a BillingCenter process.

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

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		
ArchiveChargePaidFromAccountRollupTxn			
Debit Unapplied	Account		Also adjusts its balance denorm for the duplicate entry.
Credit Archive Gross Rollup	Policy Period		Aggregates all ChargeFromAccount transactions that paid the archived policy period's charges.
ArchiveChargePaidFromProducerRollupTxn			
Debit Unapplied	Producer		Also adjusts its balance denorm for the duplicate entry.
Debit Archive Commission Retained Rollup	Policy Period		
Credit Archive Gross Rollup	Policy Period		Aggregates all ChargeFromProducer transactions that paid the archived policy period's charges.
ArchiveCommissionPayableRollupTxn			

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
Debit Archive Commission Rollup	Policy Period	Aggregates all PolicyCmsnPayable transactions for the archived policy period.
Credit Commissions Payable	Producer	Also adjusts its balance denorm for the duplicate entry.
ChargeBilled		
Debit <Charge Pattern> Billed	Charge.<T-Acct Owner>	
Credit <Charge Pattern> Unbilled	Charge.<T-Acct Owner>	
ChargeDue		
Debit <Charge Pattern> Due	Charge.<T-Acct Owner>	
Credit <Charge Pattern> Billed	Charge.<T-Acct Owner>	
ChargePaidFromAccount		
Debit Unapplied	Account	Always part of the transaction
Debit <Charge Pattern> Reserve	Charge.<T-Acct Owner>	If the charge is a recapture
Debit Collateral Held	Collateral	If the charge is a collateral charge
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement charge. Also transfers from Collateral Requirement's Collateral Held to Collateral, itself.
Credit <Charge Pattern> Due	Charge.<T-Acct Owner>	Always part of the transaction
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 charge
ChargePaidFromProducer		
Debit Unapplied	Producer	Always part of the transaction
Debit <Charge Pattern> Reserve	Charge.<T-Acct Owner>	If the charge is a recapture
Debit Collateral Held	Collateral	If the charge is a collateral charge
Debit Collateral Held	Collateral Requirement	If the charge is a collateral requirement charge. Also transfers from Collateral Requirement's Collateral Held to Collateral, itself.
Debit Commissions Reserve	Charge Commission	If the invoice item is commissionable
Credit <Charge Pattern> Due	Charge.<T-Acct Owner>	Always part of the transaction
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 charge
ChargeWrittenOff		
Debit <Charge Pattern> Due	Charge.<T-Acct Owner>	If amount < 0, in other words, a negative write-off
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, in other words, a negative write-off
Credit <Charge Pattern> Due	Charge.<T-Acct Owner>	If amount > 0
CmsnTransferredFrom		

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
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	
CollateralPaidFromAccount		
Debit Unapplied	Account	
Debit Collateral Held	Collateral	
Credit Cash	Account	
Credit Collateral Reserve	Collateral	
CollReqSegregate		
Debit Collateral Held	Collateral Requirement	
Credit Collateral	Collateral	
CollReqTransfer		
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	
CollReqUnSegregate		
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	

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
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		
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 (deprecated)		
Debit Commissions Expense	Producer Code	
Credit Commissions Payable	Producer Code	
PolicyChangeCmsnTxn		
Debit Commissions Expense	Charge Commission	

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
Credit Commissions Reserve	Charge Commission	
PolicyCmsnPayable		
Debit Commissions Payable	Charge Commission	If ChargeCommission != Null
Debit Commissions Payable	Policy Commission	If ChargeCommission == Null
Credit Commissions Payable	Producer	
PolicyIncentivesEarned		
Debit Commissions Expense	Policy Commission	
Credit Commissions Payable	Policy Commission	
ProdCodeBonusEarned		
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	
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 Payble	Producer	

Transaction Name		
Ledger + T-Acct Name	T-Account Owner	Condition
ProducerPaymentSent		
Debit Commissions Payable	Producer	
Credit Cash	Producer	
ProducerWriteoff		
Debit Write-off Expense	Producer	This transaction is associated with agency bill payments only.
		If the payment amount is less than the charges, creating a positive writeoff.
Debit Negative Write-off	Producer	If the payment amount is greater than the charges, creating a negative writeoff.
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
Credit Commissions Payable	Charge 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
SuspPymtDisbPaid		
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 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.

This topic includes:

- “Key Setup Entities” on page 424
- “Key Billing Entities” on page 426
- “Key Payment Entities” on page 429
- “Key Transaction Entities” on page 431

See also

- To learn more about configuring the data model and using the Data Dictionary, refer to the “Working with the Data Dictionary” on page 133 in the *Configuration Guide*.

Key Setup Entities

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 an insurer.

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 and time when the policy was bound and legally in effect. Among other uses, the BoundDate is used to determine the costs associated with the 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 insurer and the account. The producer brings business to the insurer and helps accounts find insurers. Insurers 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.

Workflow

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

- 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.
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

Charge

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

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 True if every line item on the invoice has been paid, otherwise, False.

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	Reference to an <code>Invoice</code> entity.
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 BillDateOrDueDateBilling, this returns the overriding BillDateOrDueDateBilling. Otherwise it returns the payer's setting for BillDateOrDueDateBilling.
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

A producer statement lists the payments to a producer for a specific time frame. The most common type of producer payment is a commission.

A ProducerStatement exists in either of two states: processed or in-progress. The current state of a ProducerStatement is specified by its Processed field.

A processed ProducerStatement is a complete and final statement that has been sent to the producer. The field values of a processed ProducerStatement do not change. Conversely, an in-progress ProducerStatement is incomplete and has not been sent to the producer. BillingCenter can modify field values on an in-progress ProducerStatement, and the entity may even be deleted if BillingCenter decides to skip the statement. For example, a statement can be skipped if its payment balance does not meet minimal thresholds.

Because BillingCenter can potentially delete an in-progress ProducerStatement, certain operations must be performed only on processed ProducerStatement entities.

- When a ProducerStatement is skipped, its field values are moved to another in-progress statement. However, any extension fields that have been added to the ProducerStatement entity are not moved, and the extension field values are lost when the statement is subsequently deleted. As a best practice, extension fields can be set on processed statements only.
- Any foreign key that references an in-progress ProducerStatement becomes invalid if the statement is subsequently deleted. To guarantee that data remains valid, foreign keys must reference only processed ProducerStatement entities.

Related field	Description
Processed	Whether the ProducerStatement has been processed.
Producer	The name of the producer.

Related field	Description
StatementDate	Self explanatory.
StatementNumber	Self explanatory.

Key Payment Entities

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.

Related field	Description
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 one or more accounts, transactions on a policy, or producers.

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.
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.

Key Transaction Entities

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 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.

Related field	Description
<code>LineItems</code>	A set of line items associated with this T-account, shown as one item per line.
<code>TAccountContainer</code>	Contains the T-account owner associated with the account or policy, such as <code>Account</code> , <code>Collateral</code> , or <code>PolicyPeriod</code> .
<code>TAccountOwnerType</code> / <code>TAccountName</code>	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.
<code>TAccountPattern</code>	Gets the pattern for this T-account.

The following types of T-accounts are supported.

- Asset** – A resource controlled by the insurer. One example is the Cash T-account, which represents money held by the insurer. 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.
- Expense** – Costs incurred by an insurer, such as commission that the insurer 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.
- Liability** – An insurer 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.
- Revenue** – Funds earned by the insurer 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.

The BillingCenter T-accounts and their types are listed in the following table.

T-Account Name	Type
Archive Commission Retained Rollup	Liability
Archive Commission Rollup	Liability
Archive Gross Rollup	Asset
<Charge Pattern> Billed	Asset
<Charge Pattern> Due	Asset

T-Account Name	Type
<Charge Pattern> Expense	Expense
<Charge Pattern> Expense Rollup	Expense
<Charge Pattern> Negative Write-Off	Revenue
<Charge Pattern> Negative Write-Off Income	Revenue
<Charge Pattern> Reserve	Liability
<Charge Pattern> Reserve Rollup	Liability
<Charge Pattern> Revenue	Revenue
<Charge Pattern> Revenue Rollup	Revenue
<Charge Pattern> Unbilled	Asset
<Charge Pattern> Unearned	Liability
<Charge Pattern> Write-Off Expense	Expense
<Charge Pattern> Write-Off Expense Rollup	Expense
Cash	Asset
Collateral Held	Asset
Collateral Reserve	Liability
Collections Credit	Liability
Commissions Advance	Asset
Commissions Expense	Expense
Commissions Payable	Liability
Commissions Reserve	Liability
Designated Unapplied	Liability
Goodwill Credit	Expense
Interest Credit	Expense
Negative Commission Adjustment	Revenue
Negative Write-Off	Revenue
Other Credit	Expense
Positive Commission Adjustment	Expense
Suspense	Liability
Unapplied	Liability
Write-Off Expense	Expense

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.

chapter 54

BillingCenter Plans Overview

This topic provides an overview of the supported BillingCenter plans.

This topic includes:

- “Plan Types” on page 435
- “Viewing a List of Existing Plans” on page 438
- “Prioritizing Plans” on page 438
- “Creating a New Plan” on page 438
- “Cloning an Existing Plan” on page 438
- “Editing a Plan” on page 439

Plan Types

A BillingCenter plan contains values that configure common billing functions. Several types of plans are supported. Depending on the type, a plan is associated with either an account, a policy, or a producer.

BillingCenter provides various pre-defined plans that can be used as beginning templates to configure billing operations. A BillingCenter user who has the appropriate permission can create new plans and edit existing plans.

The types of plans provided by BillingCenter are described in the following sections.

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 also

- “Billing Plans” on page 137

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 insurer each month that is a best estimate of what the producer owes the insurer for that month’s business. With account current processing, also called promise to pay, the producer sends the insurer 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 also

- “Agency Bill Plans” on page 97

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 also

- “Commission Plans” on page 89

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 also

- “Delinquency Plans” on page 275

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 also

- “Payment Plans” on page 142

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 also

- “Payment Allocation Plans” on page 233

Return Premium Plan

Return premium plans specifies how to allocate a credit to pay positive invoice items.

See also

- “Introduction to Return Premium Plans” on page 241

Viewing a List of Existing Plans

1. From the Administration tab, select Business Settings and the appropriate type of plan. Alternatively, click the Administration tab. From the Sidebar, select Business Settings and the appropriate type of plan. A list of existing plans is shown.
2. To filter the list of existing plans, from the **Show** drop-down list, select the desired range of plans to show.

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 reorganizes 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 a New Plan

1. Select the **Administration** tab.
2. Click **Actions** and select the appropriate type of plan to create. The new plan is created with default or empty field values.
3. Enter the plan’s field values.
4. Click **Update** to save the new plan.

Cloning an Existing Plan

1. From the **Administration** tab, select **Business Settings** and the type of plan to clone. A list is shown of the existing plans of the selected type.
2. From the list of existing plans, select a plan by clicking its entry in the **Name** column. The selected plan and its field values are shown in a new screen.
3. Click **Clone** to create a new plan whose field values are initialized from the selected plan.
4. Edit the new plan’s fields, including assigning a name to the plan.
5. Click **Update** to save the new, cloned plan.

Editing a Plan

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.

