

Q2

A newsletter of developments at QuasarSystems

Issue 64 - October & December 2010

This forum is used to inform you of changes and enhancements we've made to our Reinsurance Administration System as we continue to improve the processing of R² - *The Reinsurance Resolution*.

Questions and Answers



Q: *Why are there two cession types listed in the policy summary?*

A: We have been receiving questions regarding an enhancement made to the policy summary. Previously, on the Reinsurer level line, an administrator would find a single cession type listing.

```
Retention and Reinsurance Information
-ST- CO Ceded Face Ceded AAR A/F TreatyKey - Paid To - -Cession #- Rating
  1  XX  125,000  124,790  A ABC00XX00 28-Sep-1998 1500.0
```

This single cession type referred to the cession type listed on the treaty key - or how the reinsurer is accepting the cession. Most direct clients only needed to see this outgoing cession type. However, there have been times when knowing the incoming cession type from the extract, would have been helpful to our assumed and retro clients. The new modification meets this need.

You will now find a cession type on both sides of the treaty key. On the left, A/Fa stands for “cession type assumed” and should match what is seen on your billing extract. On the right, A/Fc stands for “cession type ceded” and should match what is seen on the treaty key and processing output.

```
Retention and Reinsurance Information
-ST- CO Ceded Face Ceded AAR A/Fa TreatyKey A/Fc - Paid To - --- Cession #--- Rating #
  1  XX  125,000  124,790  A ABC00XX00 A 28-Sep-1998 1500.0 0
```

Q: *In what instances will I find the Original Date field on the T3 line of the soa files populated?*

A: There are three instances in which you will find the Original Date populated.

1. If the policy is a conversion (status 71 or 72), then the Original Date shown on the output files is set to the extract's Conversion Date (a.k.a. the original policy date of issue, not the conversion's new policy date).

2. If the policy is processing as a Preliminary Term transaction (PT), the Original Date in the output files will be set. Preliminary Term transactions can be processed before or after the policy's Issue Date. When this transaction is being processed, the Original Date field will be set to the extract's Change Date (the effective date of the Preliminary Term).

2. When the Issue Date for the rider plan differs from the Issue Date for the base plan, the Original Date field will be set to the policy date for the rider plan. *

Retention Management Reminders

Around the end of the year, we get asked a lot of questions about Retention Management, usually related to over retained policies. Here are just a few reminders that may help you in your year-end processing (or for starting with a clean slate in 2011).

Information pulls forward:

When you run Retention Management, make sure that the previous run's Retention Management database is in the Out directory. Information that you have coded on purpose (insured separators, over-retained flags) will be brought forward and populated in the new database.

Retention Management can be run again:

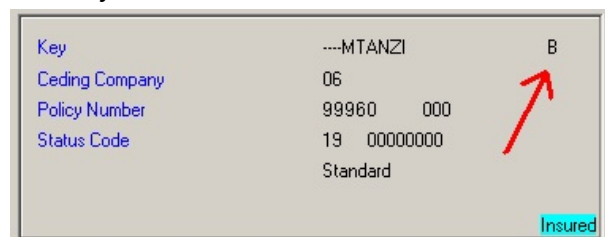
If you make changes to the database (see insured separator and over-retained flags) after running Retention Management, you can rerun the reports to make sure that the issue you were looking to correct is fixed. You will need to rename your original output files (or move them out of the area), and make sure to set the radio dial button to "Database Exists." And as always, check the date to make sure you are re-running the month you want, and are not running for a date in the future.

You may also find that you want to check your retention, or get a head start on coding prior trailers for new business policies in the next cycle, after completing the billing and valuation run. To do so, simply run all of Retention Management ahead for the next month. But remember - when you start to run next month, that you will overwrite the output unless you rename or remove it from the Out directory.

Insured Separator flag:

If you do not use a unique Insured ID number, and instead rely on R²'s ability to create an Insured ID number, you may have instances where you need to set the Insured Separator

flag. R²'s method for linking multiple policies to a single insured relies on the first five characters of the last name, first character of the first name, and birthdate. Therefore, it is possible that R² could link two or more insured's policies even when they should not be linked (such as triplets born to a single family whose first names all start with the same letter.) Should this occur on your system, you will need to set the Insured Separator flag on the second (and subsequent) insured's policies. After finding the (first) policy for the second insured in the Retention Management database, select menu option Run - Insured Separator. You will be asked to enter a unique value for this insured (you can choose any character available on your keyboard). Once entered, the value will appear behind the Key on the database screen. You would continue to enter this value for all policies that the second insured has in the Retention Management database. If there is an additional insured, choose a new value and enter it on every policy for the third insured. Continue as necessary.



Set the Over-retained (aka Don't Bug Me) flag:

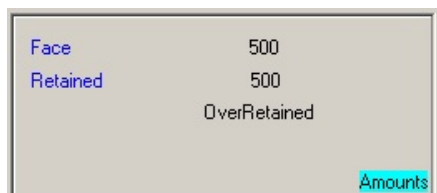
If you need to retain more than your actual retention limit on a policy due to a retention corridor, or minimum cession agreement, you can make use of the Over-retained flag.

While viewing a policy in the database...

If you have only a few policies which require you to set the Over-retained flag, it can be done easily while viewing the Retention Management Database. After the policy is found through a policy search, select the menu

Retention Management Reminders

option Run - Change Over Retained Flag (or you can press Ctrl R). This will toggle the Over-retained flag. When the flag has been activated, the words "Over Retained" will appear beneath the face and retained amounts.



Face	500
Retained	500
OverRetained	

Amounts

From a list of policy numbers...

Check to make sure that you have Qsrm03p.exe in the reins directory. Next, place the listing of policy numbers (named Insured.xtr) in the company area. Insured.xtr needs to be sorted and in the format shown below. (This layout needs to be included in your system layout file; ask your client liaison to double check if you are uncertain). Finally, determine which Retention Management database you will be adding the Over-retained flags to. Do you need to add it to the current run or the previous run? The final step is to run the program against the list. You can do this from a DOS prompt starting in the Reins directory, or (if you do not have access to a DOS prompt) your client liaison can add a menu option for you to execute the program against the listing. The parameters are

Qsrm03p iii cc cf mmyy

where:

iii - administrator's initials

cc - company area

cf - configuration file key name

mmyy - month and year of the database to which you are adding the flags

Insured.xtr layout for nonexpanded systems:

Characters 1-10	Policy Number
Character 11	Policy Sequence
Character 12	CRLF

Insured.xtr layout for expanded systems:

Characters 1-15	Policy Number
Characters 16-17	Policy Sequence
Character 18	CRLF

Output files:

There are a number of Retention Management output files, with the two most important being the over-retained report and the changes report. Below is a summary of each report. On each output file, a new business policy (one that is not in the starting inforce files) will be shown with an asterisk (*) in front of the policy number. Policies that have been in the prior Retention Management database, (but are not in the starting inforce files) will be shown with a pound sign (#) in front of the policy number. The reports below have the date 1210 in the name; please substitute the month and year that you are running/using.

Qsrm1210.chg - Shows changes occurring since last run, on insureds with multiple policies. This report is sorted by life (Insured ID), not policy number. Status code changes will be shown on this report (e.g. a policy is terminating and that may require you to reallocate other policies).

Qsrm1210.dbm - A report for insureds/policies that have the over-retained flag set, but are receiving a change in face amount, status change, or have a new policy (or policy sequence) being added.

Qsrm1210.dp2 - An alternative to the Qsrm1210.out report when using R² Insured ID, in which the report will show insureds that may be different people, and not all lives with multiple policies. Insureds' information will be compared by the full first and last name, as well as date of birth. If the entries in the database are not identical (including typos),

Retention Management Reminders

both entries will appear on the duplicate report. If the entries are identical, no entry will be made. This report is invoked by setting a Configuration File flag.

Qsrm1210.new - A report of all policies on an insured in which there is at least one new business policy not in the starting inforce files, and an over retained situation occurs.

Qsrm1210.mlt - A report of all policies which appear to be over-retained for retro-cession, where multiple ceding companies are involved.

Qsrm1210.out - Shows all policies on all lives with multiple policies and is useful only as a researching tool due to its large size.

Qsrm1210.ret - The over-retained report, showing what retention amount is being applied to each policy and how much each insured is over-retained by. This report is sorted by life. If a policy has the Over-retained flag set, it will not appear on this report, unless a later policy creates a new over-retained situation for the insured.

Qsrm1210.sum - Same as the .ret report, but without the breakdown of inforce information.

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2010 User Group Meeting

We would like to thank everyone for attending this year's User Group Meeting (despite Milwaukee's lovely flooding on Thursday evening). It was a pleasure to see everyone again and to touch base during the client liaison meetings held Wednesday afternoon. The biggest items of discussion this year were the claims system and ways to code new products in relation to new treaty terms. The new product coding, which was the highlight of Thursday's meeting, explored ways to code "pay percents." The solution for this new term is to provide creative treaty key and retention schedule key coding. When this occurs, the user avoids multiplying premium rate tables and having to merge sections of each multiple together to form a single table. Using the full rate table, and allowances (inverse of what the pay percent is) plus the flags to combine premium/allowance numbers on the output files, the user can make pay percents much easier than one might originally anticipate.

Friday's discussion centered around the use of Inforce Ad-hoc reports, the Transaction History Search feature, and the introduction of the claims system. Attendees were able to use the claims system in a hands-on setting, and provided us with a large amount of positive feedback and additional enhancements that they would like to see in place. We hope the meeting was as beneficial to the attendees as it was us. Hope to see you next year on July 21 & 22, 2011. *

Best wishes to all this holiday season from the staff of



We would be delighted to answer any questions you might have. If you would like a back issue of Q² please check our website at www.qsi-r2.com and visit the Documentation page. The main topics of past issues were:

For previous issue information, please see our website.

Issue 11 - Viewing Inforce Files
Issue 12 - Extracting Test Data, Status Codes, Transaction Codes
Issue 13 - Trailers
Issue 14 - R² Windows
Issue 15 - What's in a footer?
Issue 16 - Expanded Files
Issue 17 - Retention Management, Reserves Q&A
Issue 18 - T\$POSrt.Idx, Trailers Q&A
Issue 19 - Sorting Files
Issue 20 - Testing Billing/Valuation Samples
Issue 21 - Standards for Backup Procedures
Issue 22 - Warnings and Errors
Issue 23 - Manual Overrides and Conversions
Issue 24 - CF Flags and Resorting
Issue 25 - Parsing
Issue 26 - Manual Override O, Qsxt19p
Issue 27 - Priors and Allocation
Issue 28 - Premium & Allowance Information

Issue 29 - Command Line Ad-hoc, qsre10p.exe
Issue 30 - Schedule S, Financial Adjustments
Issue 31 - Hot Keys, Printing Files, Electronic Files
Issue 32 - Event Extracts, How to Rerun a Previous Cycle
Issue 33 - Electronic Output Viewing Package, Manual Override T
Issue 34 - End of Year Processing
Issue 35 - Initializing New Company Area
Issue 36 - Programs in Review
Issue 37 - Waivers: Past and Present
Issue 38 - Dates in R²
Issue 39 - Cleaning up System Directories; tracing through TX database
Issue 40 - Sequences; Status 19
Issue 41 - Expanded System
Issue 42 - Technical Considerations
Issue 43 - Allocate Error
Issue 44 - Automating routine processing; Testing
Issue 45 - RM Duplicate Report
Issue 46 - Printing Rate Tables
Issue 47 - Valuation Reserve Options

Issue 48 - Coding Valuation Reserves
Issue 49 - Side Files
Issue 50 - Going Paperless
Issue 51 - Manual Override F
Issue 52 - Anatomy of an Error Message
Issue 53 - Transaction Codes
Issue 54 - Gross Premium and Allowances
Issue 55 - Suppressed Errors Report and Qsrf01p
Issue 56 - Dual Use Programs
Issue 57 - Ad-Hoc Enhancements
Issue 58 - Age Changes
Issue 59 - Beginning Paid-to-Date
Issue 60 - Single Line Transaction File
Issue 61 - Single Line Inforce File, Status and Transaction Codes
Issue 62 - Transaction History Search
Issue 63 - WP Reserve Calculations
Issue 64 - Retention Management Reminders

The current version of the Electronic Output Viewing Package is 02g.



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