

# Q<sup>2</sup>

## A newsletter of developments at QuasarSystems

Issue 10 - September 1996

We'd like to use this forum to inform you of changes and enhancements we've made to our systems. We continue to improve the processing and feel of *R<sup>2</sup>, The Reinsurance Resolution*.

### File Enhancements:

#### Policy Inforce File (PO):

- ☺ For our Disability clients, we have added a second Benefit Period field. The PO now has a **Benefit Period 1** for use as the Sickness Benefit Period and **Benefit Period 2** for use as the Accident Benefit Period. Current processing guidelines for rate and allowance lookup are that the **Benefit Period 1** will be used, unless blank, then **Benefit Period 2** will be used.
- ☺ Also for our Disability clients, the field length for **Elimination Period** may be size of 3 or 4 characters. This will allow days past 999.

#### Reinsurance Inforce File (RE):

- ☺ There are now two cession type fields, **Ceded** and **Assumed**. The distinction is important for our Retro clients where a policy may be one cession type coming in on the Assumed side and a different cession type

going out on the Retro side. Common cession types are **A, F, O**, or **S**. These stand for Automatic, Facultative, Fac-Obligatory, and Shopped. Some companies also have **R** for Retained and **L** for Lead Reinsurer.

- ☺ Both the **Original Ceded Amount** and the **Ceded Amount at Risk (AAR)** are shown in the RE file. If the treaty has been coded for a new business policy to be stored as a percent, then the **Original Ceded Amount** will show the percent of the direct face ceded to this reinsurer. The **Ceded AAR** will always be displayed as an amount.

#### Treaty File (TY):

- ☺ Cession Triggers are fields that specify information on the cession setup. **Percent/Amount** indicates whether the RE Ceded Amount should be stored as a percent of the Coverage (RI) Face Amount or as the Actual Ceded Amount. If **Percent** is chosen, any face changes on a given policy sequence would be allocated at the same percents as the original. This is useful for products with guaranteed or known ultimate face amounts that differ from the face amount at issue and where the reinsurance allocation needs to be based on that ultimate face amount. The default is **Amount**. **Individual/Combined** is a special field that can be used in certain situations to combine coverages before determining the treaty allocation. **Individual** is the default method.



# Back-ups

Everyone who has worked on a computer has experienced losing a file. You especially remember when it was one you spent several hours working on. In the last six months we have had two clients who deleted their entire R<sup>2</sup> area from the network. While R<sup>2</sup> cannot control *all* levels of protection or deletion on a Network, we can address the topic of back-ups on several levels.

R<sup>2</sup> processing, via the menus, automatically makes a backup of the inforce and extract files before doing monthly processing. This backup is stored in a file called ANRE.ZIP. Before it creates this backup file, it copies the previous ANRE.ZIP to ANRE1.ZIP. At any given time you should have two copies of recent inforce records and the extract files used for monthly processing.

These automatic backup files should not, however, be the only backups that you have. First, we recommend that you save all the files used for a given month's processing in a zip file. This should be done every month and can easily be set up to be created through a batch file. The zip file could have the name of

the month to be run, such as ANRE0696.ZIP, and would have all the files necessary to run June 1996 billings. We recommend that these files be saved indefinitely, though it is not necessary to save them in the company directory. Should you ever need to recreate a month's processing, these files are essential. It is also a good idea to have a backup of your basic treaty, plan and rate files.

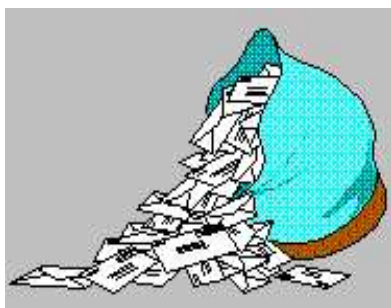
It is not necessary to have backups of output files as long as you have the R<sup>2</sup> database files that can recreate the output. However, it is handy to save the output, especially for use with Schedule S at year end and with the Audit function of the Report Generator. You may wish to save all monthly transaction files in a zip file such as TRX0696.ZIP, and the valuation output files in VAL0696.ZIP. These should include the database (TAN) files as well as the individual company report files. Retention Management database files should also be zipped in a file such as R<sup>2</sup>RM0696.ZIP. The transaction files should be kept indefinitely. You may wish to keep only quarter end valuation files. You only need to keep the last month's

Retention Management file, though you may wish to keep quarter end files until the end of the year. After the year's end, you may wish to transfer all these zip files to another location for permanent backup. All of these zip files can be created automatically through batch files. If you do not have this in place, please contact us so we can help you set up these batch files and procedures. You may wish to check with your systems department for storage and locations of backups as the months and years progress.

For your consideration, we have found the Iomega Zip Drive extremely economical and useful. A Zip Drive disk can hold up to 100 megabytes. SyQuest also offers a 230 megabyte removable cartridge.

A few moments a month making backups can give you long term peace of mind.





## Questions and Answers

**Q:** *What file formats are supported by R<sup>2</sup> for import and export capabilities?*

**A:** ASCII files are used for importing to and exporting from R<sup>2</sup>. Common files to import are extracts and rate tables. Adhoc reports are ASCII files that can be produced with or without delimiters for import into spreadsheet programs or text editors. Transaction and valuation to output conforms to industry guidelines (SOA) for electronic format. Accounting and valuation extracts can be produced by R<sup>2</sup> for import into General Ledger and other systems.

**Q:** *What maintenance and support do you provide to your customer base?*

**A:** The maintenance period begins once you are up and running. All clients covered by the maintenance fee are entitled to have *all* programs running with

accurate output. We attempt to correct any processing problems within 1-3 days. When a company has a new product or treaty, we will work with them to set it up in R<sup>2</sup>.

Enhancements requested by a client company that are specific to that company's business are quoted to them for time and cost, and programmed based on the quote. Our rule is that *R<sup>2</sup> is R<sup>2</sup>*, everyone who pays the maintenance fee participates in all capabilities of the system.

**Q:** *Approximately how often are there new releases or upgrades of R<sup>2</sup>?*

**A:** Upgrades are done on a program level, rather than on a system level. We are always adding new capabilities for clients or as enhancements. These are usually controlled by configuration flags or new fields. The default will be the way things have always been processed, so companies don't have to use the new features if they don't want to. Some programs haven't changed in years, others change several times a year.

**Q:** *How is accounting handled by R<sup>2</sup>?*

**A:** R<sup>2</sup> calculates the premiums due to the reinsurers and refunds due to the ceding company. The transaction reports contain total pages with the amounts due. An accounting extract may be produced to be fed into a company's general ledger system. The General Ledger can perform accounting transaction and produce checks. QuasarSystems can write the extract to the company's specifications. The company writes the interface to the actual accounts on the general ledger system.



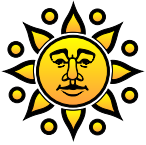
For Reference here is an updated list of contact phone numbers:

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Thank you for your continued support and suggestions. We appreciate and welcome all your comments and questions. Please let us know if there are any topics you would like to see examined in greater detail.

For additional information on any option, you should first consult your documentation manual. We would be delighted to answer any questions you might have.

If you would like a back issue of Q<sup>2</sup> please give us a call. The main topics of past issues were:



Visit with Jim at the SOA convention in Orlando Florida in Oct 1996.

Issue 1 - Multiple Life Processing  
Issue 2 - Retention Management  
Issue 3 - Trailers, Help Screens and Policy Page  
          Producer  
Issue 4 - Report Generator and Retention  
          Schedules  
Issue 5 - Transaction Processing and  
          Reinsurance Overrides  
Issue 6 - Input Extracts  
Issue 7 - Schedule S  
Issue 8 - Report Generator  
Issue 9 - Year 2000

Issue 10 - Backups  
Issue 11 - Viewing Inforce Files  
Issue 12 - Extracting Test Data, Status Codes,  
          Transaction Codes  
Issue 13 - Trailers  
Issue 14 - R<sup>2</sup> 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



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