

# Q<sup>2</sup>

A newsletter of developments at QuasarSystems

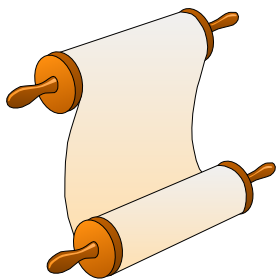
Issue 12 - March/June 1997

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*.

## Manual Overrides

We've introduced a number of new Manual Override options on the input extract. Below is a list of the current options:

- M** Force a change effective date a Change Date
- N** Same as "M" but force R<sup>2</sup> to use zero premium
- R** Reissue
- S** Same as "M", but if change is prior to the Setup.InitialDate, only process change to that date.
- U** Undo a recapture.
- Z** Force premium to zero.



## New Employee

We're delighted to announce that a new

employee has joined our staff : Ken Evans from University of Michigan.

## How can I look up policy information?

There are many different ways that you can find information on policies. You can:

- 1) do inforce searches using ANRE20 (described in detail in issue 11).
- 2) do data searches on the master transaction/valuation databases R<sup>2</sup>TXmmyy.tan, R<sup>2</sup>VLmmyy.tan.
- 3) search on the inforce files directly.
- 4) search online on printer-ready output reports

## CF File

We are migrating toward a new configuration file. The CF file will replace the ANREXX.CNF (or similarly named files). These files tell R<sup>2</sup> how your installation of the system is configured. The CF file will allow us to switch between configurations. It will also give you a check list of options. Currently both the old and new configuration files are supported.

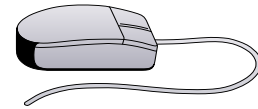
## Email & New Phone Numbers

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### Jim Schoen

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## Fax

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You can send us files by attaching them to email or you can transmit files to us over our modem lines. Please check with you IS department and your client liaison on the size limit of transferring files via email.

## New Clients

We would like to welcome aboard our new users:  
*Equitable Life Assurance Society*  
*Life Ins Co of the Southwest*  
*Life Reassurance Corp of America*  
*Reliastar-Bankers Security Life Ins*  
*Security Mutual Life Ins Co of NY*

We look forward to working with you and welcome you into our user family.

# Extracting Test Data

## SAMPLING DATA

There are times during testing that you want to take a real case and test what might happen under various scenarios. Many of you are already familiar with our program ANRE17. This program allows you to search for a policy or selection of policies and produce a test extract and inforce files.

ANRE17 now zips up the output files all ready for testing. The output files are named t\$sample.zip. If any problems occur during your processing, we may ask you to send us this output for testing. Usually we can take this output and duplicate the result you are getting. We will also ask you for the data files (PH, TY, MF, RF, etc). In the company directory.

If you are only trying to select a policy or two, ANRE17 can prompt you for the policy number. If, however, you want to search for a large number of policies, you can put the policy numbers in an ascii data file. ANRE17 then can use this file as input for selecting the data.

To run anre17:

**ANRE17 iii cc cf [if YI]**

where

*iii* = user initials

*cc* = company code

*cf* = Configuration

*if* = ascii data file of policy number OR a "?" if you want to be prompted for policy numbers

YI= "Y" means to search the inforce files.

"I" means to search the inforce files independently of the input extract. If this is not an I, then a policy must be in the input extract before ANRE17 will find it in the inforce files.

### Example 1

I want to extract policy 123456789 from the input extract. I don't care about the inforce files. My CF Record is JimsCF. My ceding company is cc.

**ANRE17 jms cc JimsCF**

If this is all I enter, ANRE17 will prompt me for the policy number(s). I can enter any part of the policy number and ANRE17 will find all policies which match that portion.

I enter "6789". ANRE17 finds all policies which contain "6789"

### Example 2

I want to find 30 policies and the inforce records to recreate a problem. First I restore the cc area so it contains the files as they were before I ran processing for the month. I enter the 30 policies in a data file named Test

**ANRE17 jms cc JimsCF test YI**

Now ANRE17 will extract all 30 policies and create inforce data for each policy. All files will be in T\$Sample.zip.

We have created batch file that quickly run this module and unzip the files. Contact your client liaison for information.

# Status Codes

We have updated and added several new status codes to R<sup>2</sup>. All status codes and descriptions are listed for your convenience.

## Status Codes:

01	Inforce	Policy is inforce and active.
02	Lapsed	Policy has lapsed as of the paid-to date.
03	Surrendered	Policy has surrendered as of the paid-to date.
04	Expired	Policy has expired as of the change date.
05	Matured	Policy has matured as of the change date.
06	Death	Policyholder has died as of the change date.
07	Converted out	Policy is a conversion off. This change will flow through the conversion off section of the Policy Exhibit.
08	Not Taken	Policy has not been accepted and will use the issue date for premium calculations.
09	Reduced-Paid-Up	Policy has gone to a reduced-aid-up status. This status will create a zero premium on renewal billings for coinsured treaties. YRT treaties will still pay premium. There is a indicator on the Treaty that also dictates how premium is to be paid on status 09 and 10. Please refer to your treaty documentation for further information.
10	Extended Term	Policy has gone to a Extended term insurance status. There is indicator on the treaty that allows a one table rating increase for a ETI policy (eg if the policy holder is rated 150% than when the policy holder goes to ETI status the new rating will be 175%). Please refer to your treaty documentation for further information.
11	Recapture	Policy should now be fully retained. All reinsurance should cease as of the change date.
17	Partial Conversion Off	Only part of the face amount has converted off.
19	Paid up	Policy is in paid-up status. The reinsurance paid-to-date is set to the mature/expiry date. The policy will remain inforce with zero renewal premiums.
29	On Disability	Policy is on disability. Premium is zeroed for all benefits and all transactions. An "RL" (renewal) transaction will appear as a "WP" transaction to indicate which policies are on Disability.
41	ReEntry	Policy is re-entering, with new underwriting and current issue date.
51	Plan Change	Policy is doing a plan code change and needs to reassign the treaty.
61	Joint Policy	Joint Policy coverage does not bill.
71	Conversion	Original Age Conversion. The original age and duration will be used for premium calculations. The <u>original</u> policy date will be used to chose the treaty and RPR rates.
72	Conversion	Original Age Conversion. The original age and duration will be used for premium calculations. The <u>new</u> policy date will be used to choose the treaty and RPR rates.
81	Preliminary Term	Policy is preliminary term status.
82	Preliminary Term	Policy is a preliminary term for an Original Age Conversion. The <u>new</u> policy date will be used to choose the treaty and RPR rates.
83	Preliminary Term	Policy is a preliminary term for an Original Age Conversion. The <u>original</u> policy date will be used to choose the treaty and RPR rates.
88;89	Financial Adjustment	Do a financial adjustment using the premium and/or allowance coded in the extract file.
9x	Do not Process	In Suspense. A status code starting with a 9 is not to be processed during the monthly cycle.

# Transaction Codes

We have updated and added several new transaction codes to R<sup>2</sup>. All transaction codes and descriptions are listed.

## Transaction Code:

AC	Auto Change
AF	Auto-Fac Change
AR	Amount at Risk Adjustment
BA	Benefit Added
BD	Birthdate Change
BT	Benefit Terminated
CA	Conversion On
CC	Ceded Amount Change
CO	Conversion Off
CV	Cash Value Adjustment
DC	Face Decrease
DH	Death Claim
DI	Disability Change
EX	Expiry
FA	Financial Adjustment
FC	Face Change
FE	Flat Extra Added On
FN	Reversal of NonForfeiture
FO	First Year Other
IC	Face Increase
LP	Lapse
MF	Male-Female Change
MS	Miscellaneous Change

## Transaction Code:

NB	New Business
NC	Name Change
NF	NonForfeiture
NS	NonSmoker-Smoker Change
NT	Not Taken
OF	Other Transactions - Off
ON	Other Transactions - On
PA	Premium Adjustment
PC	Plan Code Change
PD	Policy Date Change
PO	Partial Conversion Off
PT	Preliminary Term
RA	Replacements On
RC	Recapture
RE	ReEntry
RL	Renewal
RO	Replacements Off
RS	Reinstatements
RV	Reverse a Change
SP	Preferred/Standard Change
SR	Surrender
TB	Table Change
TC	Trailer Change
WP	Premium Waived



## Questions and Answers

**Q:** *If I have a waiver on a base policy and reinsurance amounts always follow this base, can R<sup>2</sup> handle this without coding a reinsurance trailer for the WP as well as the base?*

**A:** Yes. There is a configuration flag '*LimitWaiver = Y*'. If this parameter exists and is set to *Yes*, then all ceded reinsurance amounts will be set equal to the reinsurance amounts for the base coverage. Note that this sets the ceded amounts, not the treaties.

**Q:** *Is there a way to charge a policy fee on all policy sequences?*

**A:** Yes. There is a new flag on the treaty file (TY). This field on screen 4 and is *Fee on additional coverages*. If set to *Yes*, then additional sequences ceded to this treaty key will charged a policy fee. If set to *No* then no policy fee will be charged on the additional sequence.

**Q:** *Does every plan flow through the Policy Exhibit (PE)?*

**A:** No. There is a field on the Plan Header (PH) to control if this coverage should flow through on the Policy Exhibit. If set to *Yes*, then coverages with this plan will flow through the PE. If set to *no*, then coverages with this plan will not flow through the PE.

**Q:** *Does every policy/sequence flow through the Policy Exhibit (PE)?*

**A:** No. The first sequence to a treaty will have the count and face flow through the Policy Exhibit (PE). Any additional sequences to a treaty will have only the face flow through the PE. Assuming that the coverage's plan (PH) is coded to be included in policy exhibit.

**Q:** *For a reinsurer producing bills for many clients via the system, is there a way to have a Master Database for transactions and valuation?*

**A:** Yes. The user can have a master area where a master database for TX and VL can be held. These databases will only include the companies that are on R<sup>2</sup>. These databases can then be used for ad-hoc reporting, reserve reporting, and for building an extract for the retro cessions area.

**Q:** *Does R<sup>2</sup> handle Tax reserves*

*and use the new tax rates every year?*

**A:** Yes. There is a tax rate file that can be updated yearly by the user. The tax reserve report is the true tax reserve. That is, if the statutory reserve is less than the calculated reserve using the tax rate then the statutory reserve is held for the tax reserve.

**Q:** *Is the user required to correct errors prior to continuing?*

**A:** Yes and No. If the user wishes to have perfect reports, then the errors should be fixed and bills rerun for the month. If the user wants to send reports as is, then errors can be fixed during the next monthly cycle. Preprocessor reports can aid in fixing policy errors prior to running the transaction reports.

**Q:** *Describe your support organization.*

**A:** A client liaison is assigned to each new client. This liaison is available to answer all questions and assist with all the client's needs. If the client liaison is unavailable, then other staff normally can help with problems.

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:



Jim enjoyed talking to you at the Canadian Reinsurance Conference in Toronto in April. (I always enjoy going to Toronto~). Thank you to all who visited our booth at the Loma convention in Orlando in March.

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|--|--|
| Issue 1 - Multiple Life Processing                         | Issue 10 - Backups   |
| Issue 2 - Retention Management                             | Issue 11 - Viewing Inforce Files                                 |
| Issue 3 - Trailers, Help Screens and Policy Page Producer  | Issue 12 - Extracting Test Data, Status Codes, Transaction Codes |
| Issue 4 - Report Generator and Retention Schedules         | Issue 13 - Trailers  |
| Issue 5 - Transaction Processing and Reinsurance Overrides | Issue 14 - R <sup>2</sup> Windows                                |
| Issue 6 - Input Extracts                                   | Issue 15 - What's in a footer?                                   |
| Issue 7 - Schedule S                                       | Issue 16 - Expanded Files  |
| Issue 8 - Report Generator                                 | Issue 17 - Retention Management, Reserves Q&A                    |
| Issue 9 - Year 2000  | Issue 18 - T\$POSrt.Idx, Trailers Q&A                            |



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