Q²

A newsletter of developments at QuasarSystems

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 *R², The Reinsurance Resolution*.

We're Moving!

Quasar*Systems is moving its main office to a new location. As of June 29, 2000 our new address is:

Quasar*Systems Inc.
8989 N. Port Washington Rd.
Suite 227
Milwaukee, WI 53217-1662.

Please see the last page for current phone numbers and email addresses.

CF Flags

We have added some new CF flags that you may find useful. The default option is underlined.

RE01c (Screen 3)
Zero Premium Warning on Riders
Z - will extend the ZERO premium warning message to Riders as well as Base coverages.
<u>N</u> - will only give the zero premium warning on base coverages.

Maintain AAR
Used to determine whether to recognize the current Cash Value PRIOR TO the starting RE *Paid-To Date*.
M - will use the AAR that is stored in the inforce files for processing reversals and repayments of durations previously paid.
<u>U</u> - will use the inforce AAR for a reversal, but will update the AAR using the current cash value on the repayment.

VL02c (Screen 6)
Show 61 Joint
Y - will create electronic valuation file V2 and V3 lines for the joint policy status 61 sequences, as well as the premium paying sequences.
<u>N</u> - will create electronic valuation file V2 and V3 lines only for the premium paying sequences.
Also see Questions and Answers.

Several reinsurers have expressed interest in getting these additional joint records to aid in their own valuation and insured tracking.

Dollar Reserves
W - will round each reserve to the nearest Whole Dollar.
<u>D</u> - will report reserves rounded to two decimal places.

Run Options (Screen 7)
Test Mode
Y - will display procedures on screen as programs process.
N - will not display procedures (which will speed up processing).

Trace Mode
Y - will produce a Trace file of calculations and processes on a policy. Usually only used in testing.
N - will not produce a trace file.

Minimized Mode
Y - will minimize all R² Windows programs when processing. Running any program in minimized mode will decrease processing time for Windows programs.

N - will display the program processing on the screen until manually minimized.

Display Memory
M - will create a file of memory used and available during processing of each policy. Usually used only in testing.
N - will not keep file of memory by policy.

Turbo Mode
T - will cause Windows programs to run in the fastest way possible (Minimized plus suppression of: Test Mode, Trace and Memory.)
N - will check the other run options and process according to their CF coding.

RE16 (Screen 8)
Negative Format
<u>C</u> - will cause the ASCII electronic files (R2 *.SOA) to have negatives reported in the COBOL embedded negative formats.
N - will report negatives with the negative sign, although it decreases the allowable values by one digit. It is not necessary to use the **N** to get correct values in the ad hoc reports or in viewing the electronic files. Reinsurers are familiar with both formats.

Restoring

What is Restoring?

When R² "Restores" files, a program (Qsre03p.exe) unzips the backup file Qsre.zip to overwrite existing inforce files. Qsre.zip is automatically created every month before billing and valuation are run. Qsre.zip contains the following files as they are prior to running a month's cycle: Anre01in.Xtr, Anre01in.Rns, Anre01in.Val, PE, PO, PO.idx, RI, RI.idx, RE, and RE.idx.

Why is Restoring Necessary?

Restoring is necessary when the inforce files have been mistakenly updated, so that when Billing is rerun it is done so with the correct inforce files.

Notes Regarding Restoration

• A fatal error is one that causes a program to abort abnormally. If a fatal error occurs while transactions are running, you must restore first. After the problem is resolved, then you can rerun bills.

• If a fatal error occurs, but not until after the transaction cycle is complete, you do not have to restore. You would only have to rerun valuation and/or valuation reports.

• If a fatal error occurs and you would like us to verify it, press Print Screen and paste the picture into a word processing document to email to us. Suspend the policy in the *Data Entry* screen for the Post-Preprocessor Billing extract by changing the first position of the *status code* to a "9."

Restoration Options

Option 1: Restoring through the Menus

• In order to restore through the menus, choose
   R² Menu
   Reinsurance Processing
   Restore Prior Reinsurance Files.

• This option will bring up a prompt with two options. You can choose either to Restore All Files Including the Extract and Trailer Files, or Restore only Inforce files and not the Extract.

You may want to restore the extract if:
a) The extract has become corrupted by another program,

b) The original extract was deleted, or
c) Other programs, such as parsing, have altered the extract.

You may *not* want to restore the extract if:
a) Changes were made to the extract after last running bills (or you will lose changes made),
b) The last time bills were run was with a previous month's extract (ti save the time it takes to restore), or
c) Trailers have been manually updated since the last billing run (or you will lose changes made).

• After deciding whether or not to replace the extract, choose **Restore**.

• Before running processing for the restored files, please check that the *Report Date* is correct in case the restored files had the incorrect inforce.

Option 2: Manual Restoration

Manual restoration is the process of unzipping the backup files into the company directory. The advantage of manual restoration is that one can verify the dates of the Inforce (or company) files before unzipping.

• Backup files are automatically created when Transactions have completed. The batch file PostRe02.bat creates a backup called *cc*Pre_*mmyy*.zip. This zip file contains the extracts and inforce files for a specific company area (*cc*) as they were before running bills for a particular report date (*mmyy*).

• In order to manually restore, unzip the *cc*Pre_*mmyy*.zip for the month (*mmyy*) you intend to run.

• If a *cc*Pre_*mmyy*.zip does not exist for the month you are trying to run, unzip the *cc*Post_*mmyy*.zip of the most recent successful billing run. Make sure not to overwrite the current month's extract with the previous month's preliminary extract and trailer files.

Contact a QSI liaison if you have any questions concerning restorations.

User Group 2000

The fourth annual User Group Meeting is to be held on August 17-18, 2000. If you didn't receive information please contact Kim at Kim.Walters@qsi-r2.com or 414-228-8622. **The deadline for registration is June 30, 2000**. This year's meeting topics include:

Hands-On Windows Session
Editing Extracts &Trailers
Running Transactions & Valuation
Viewing Inforce Files, Reports,
Billing & Valuation Databases

Questions and Answers

Q: How can I get inforce reports that include Status 61 (Non-billable Joint) coverage information?

A: Valuation reports for Joint Policies normally use "Frazierized" reserves applied to the Joint Coverage only. Therefore, there are no additional reserves on the Individual (status 61) records. These were not previously included in the Valuation database.

We recently added an enhancement to the Valuation system that would add this Individual information to the Valuation Database, and therefore to the various reports that are produced from it. These would include our Valuation detail reports, as well as the electronic valuation/inforce data files in either the QSI or SOA formats.

This enhancement is made available by option in the Configuration (**CF**) file. The field is on screen 6, under VL02 Valuation Reports, with a heading of "Show 61 Joint". If this field is "**N**", then the Valuation database and reports will remain the same as they have been. If this field is "**Y**", then Joint data records will be added to the Valuation Database. These include the R2, R3, R4, and R5 records. All face amounts, ceded amounts, premiums, and reserves are set to zero on these status 61 records, to avoid duplication of these amounts already counted in the (status 1) Joint "billing" record. They will be carried into both the paper (detail) and electronic reports. In the database and electronic files, these records also are available for searches.

This enhancement will serve those companies who need to have the Individual insured data, to supply the Joint data in their valuation/inforce reports.

Q: If we wish to add an amount at risk trailer (or any other trailer) to a policy at a point in time (after the issue date), but we do not wish to cause all durations to be reversed and rebilled, how do we code this? How does this differ if we want
the system to reverse and rebill all durations?

A: A trailer in the Anre01in.VAL file may be added at any time. The transaction program checks for a trailer even if it never existed before. The existence of a new trailer would not cause a reversal and rebilling; the new information would be used as if it was there all along.

Only a *Manual Override* or some other material policy change (*face amount*, *policy date*, *age*, *rating*) would cause a reversal and rebilling based on the Override code and the *Change date*.

We suggest that if you start coding "VAL" trailers at some point after issue, that you do create the previous duration (or decade) trailers, just in case you need to do a reversal in the future. Once you start using a specific type of trailer for a policy, you <u>must</u> use a trailer of that type for all durations.

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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 Q² please send an email to us at Q2@qsi-r2.com. The main topics of past issues were: