



# Q<sup>2</sup>

## A newsletter of developments at Quasar Systems

Issue 42 - December 2004

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

### User Group 2005

The 2005 User Group will be held August 17-19 in picturesque downtown Milwaukee. Preliminary information will be mailed to interested individuals between February and March 2005. If you have not previously received information and would like to, please email [usergroup@qsi-r2.com](mailto:usergroup@qsi-r2.com) with your name and address to receive the mailing.

This year we are also asking for information from those of you that produce special reports (other than the usual billing and valuation reports) on a regular basis. If you produce reports like this, we ask that you contact your client liaison (or the user group email address listed above) with information pertaining to what type of information you are querying from the system. Then come join us in August to find out why we asked!

*Wishing everyone health and happiness this holiday season!*  
~ Quasar Systems



### Situation Resolution - RNS Trailers

*I have a policy that is already in force and I just discovered that it needed an RNS Override trailer (type O). After setting up my trailer and processing, I noticed that the system still did not use the trailer allocation. Why?*

RNS trailers come into play only at four crucial periods during a policy's existence - when a policy is *new business*, when a *manual override M or R* is used, when a policy has a *face increase*, or when a policy undergoes a *plan code change* with a status **51**.

If a new business policy comes onto the system, R<sup>2</sup> undergoes a series of checks to determine how the policy should be allocated. If it detects an RNS trailer with an appropriate layout, Qsre01p will use this allocation in lieu of the normal treaty allocation. Once the policy is allocated as specified in the trailer, R<sup>2</sup> will not reallocate the amounts or access the trailer again, unless one of the aforementioned situations occurs.

If you discover that a policy needs to be corrected (e.g. the policy should have been issued facultatively) and requires the

addition of or change to an RNS trailer, you need to use a manual override **M** or **R** so that R<sup>2</sup> reallocates the policy correctly. R<sup>2</sup> will reverse the policy as it exists in the inforce and then bring the policy forward using the current RNS trailer to update the inforce with the new allocation.

If a policy was issued with an RNS trailer and is to undergo a *face increase*, the trailer will need to be updated to account for the increase in the policy's face amount. R<sup>2</sup> will not automatically process a face increase involving a policy with an RNS trailer, unless the face increase is coded in the trailer. Failure to update the RNS trailer prior to processing will result in an *E3 0610 Allocate Error*. If a policy decreases, R<sup>2</sup> will use the decrease method indicated on the treaty to determine how to allocate the decrease.

If a policy is to undergo a *plan code change* and the treaties need to be reselected, coding a status **51** and a *change date* will signal to R<sup>2</sup> to reallocate the policy with the new plan code. When R<sup>2</sup> reallocates the policy, the RNS trailer file will be checked for allocation specifications.

# R<sup>2</sup> Technical Considerations

Tis the season! Many IT departments take this time of year to think about upgrading their systems, so we thought we would make clear what to look for when selecting a server for R<sup>2</sup>. While there are not too many things to consider, we present those factors worthy of thought in order of importance, and apologize for the sheer geek factor.

**Hard drive:** R<sup>2</sup> requires at least 1MB of hard drive per 100 policies. However, since companies have a habit of merging with each other, as well as finding other ways to increase sales, we recommend purchasing as much hard drive space as your budget allows. Since R<sup>2</sup> processing makes frequent updates to the hard drive, a faster hard drive will increase system speed significantly. Look for the following specifications to keep your speed up: **RPM** (revolutions per minute) and **Cache** (performs some reading-ahead and redundant operations, which speed up performance a great deal). Look for 7,200-10,000+ RPM drives with 8MB+ Cache or more. In both cases, more is better! Also, some companies insist their servers use a disk-arranging method called **RAID** (think: many laundry baskets for a pile of laundry)

to make a single logical drive over multiple physical hard drives. We recommend that you enhance performance by using RAID 0 striping (all drives working in tandem), or RAID 1 duplex mirroring (1 hard drive mirrors data on the other drive). Some IT departments will insist on RAID 5, which protects data if one of the hard drives crash, but does cost a little in terms of performance. In any case, spend your money on hard drives first!

**Processor speed:** R<sup>2</sup> will take advantage of a faster processor, especially the *Intel Xeon processors*, as their speed (from more & faster processor cache memory) excels past the regular Pentium 4 series in raw math. *SMP/Multiple CPUs* will not assist R<sup>2</sup> performance at this time. Spend as much on the fastest single processor as you can afford.

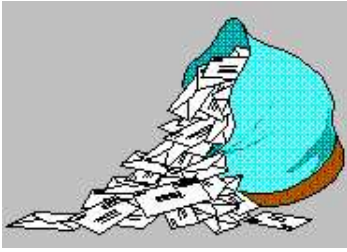
**Memory:** 512MB-1GB+ Ram. For regular R<sup>2</sup> processing, R<sup>2</sup> does not require more than 128MB. Since most servers run other programs for management purposes, 512MB-1GB is a nice price/performance sweet spot. Look for fast memory if you can: DDR2/DDR3 with low CAS latency (CAS 2.0 preferred, where a lower CAS number means less memory

cycles per data exchange), which is more expensive, but can provide a faster interplay between processor and memory, helping to move those numerous calculations along.

**Operating Systems:** We safely recommend Windows 2000 Professional, 2000 Server, and XP Professional. In this game, newer is better: Microsoft has continually improved previous versions of Windows by improving its caching method, so if you're on the fence and don't really need server functions on the R<sup>2</sup> box, save the money and use XP Pro. For people interested in Windows Server 2003, we hope to complete performance and functionality tests in Spring 2005, so feel free to inquire if you are interested in this data.

And above all, Happy Holidays! We hope that St. Nick brought at least a generous spirit to your company!!!





## Questions and Answers

**Q: Is the R<sup>2</sup> security up to par?**

**A:** Lately a lot of clients have asked about the security of the system due to Sarbanes-Oxley. So we thought we would take a moment to let everyone know what our response has been. To begin with, security on any system is only adequate enough to keep those who do not know the system well from doing harm. If a culprit knows a system well enough, he will be able to do harm, whether it be on our system or one of your other office systems. Therefore true protection of your data from this kind of harm is accomplished by regular backups of your system. With that being said, yes - we realize that our security file can be easy for people to access. For that reason we purposely do not provide companies with documentation regarding the security file, its encryption, and access level information. Along with security at each company's network level, this has been adequate up to now. We are also happy to modify your password or access rights should the need arise.

However, to aid companies with the Sarbanes-Oxley hurdle, Quasar\*Systems is in the process of revamping system security. The new file will be encrypted so that it is not accessible for viewing. In addition, we will be adding the ability to have passwords expire (at which time the user may change passwords if desired or needed) and to generate a report

listing the user and system access levels. You can expect to be contacted by your client liaison for preparations and to receive a revamped security file in Spring 2005.

**Q: I have an ADB-only policy on the system. The base record has \$1 face that is the ceding company's portion. The policy has a standard table rating, and is coded as such. My ADB rider is coded on my base record, but has a table rating of 200%, and ceded to my company (therefore the \$1 and the ADB portion are on different treaties). On the bill, the ADB portion is showing as a table rating of 100%, but all of my premiums are correct. Why is the table rating incorrect?**

**A:** When the *table rating* appears on the bill, Qsre02p only shows the rating from the base record, not the table rating associated with the riders on a policy. For this policy, because the \$1 base record is rated at a 100%, that is what appears on the billing. Qsre01p uses the 200% table rating to determine the premiums and stores the 200% in the inforce files for the ADB portion. The SOA files created also show the correct rating for the ADB portion. If the base (\$1) is retained, you may set the base rating to 200% so the ADB portion of the bill displays the correct table rating.

**Q: I need to recapture several policies. How do I do it?**

**A:** This answer assumes that you do not have the treaties configured to automatically recapture a policy. The recaptured policy must first be in your extract. You would then change the status to either an **11** (recapturing an inforce policy and leaving the policy inforce on the R<sup>2</sup> system) or a **12** (recapturing an inforce policy and terminating the policy in the R<sup>2</sup> inforce files). Next,

code the *change date* field with the date that this policy should be recaptured. Save your extract changes, and continue merrily processing away. **Two Notes** - You should not use a manual override to recapture a policy. In addition, you do not need to send the status 11 or 12 on subsequent extracts.

**Q: Do I have the latest version of the Electronic Viewing Package?**

**A:** We have released a new version of the electronic viewing package (02a) for all of your reinsurers. The viewing package was updated for use with operating system Microsoft XP. Several reinsurers had conflicts with printer options on this operating system. All other programs have been updated to the latest version as well. If you are using, or plan to use Windows XP and the viewing package, please contact [soa@qsi-r2.com](mailto:soa@qsi-r2.com) for information on downloading the latest package.

## Program in Review - QSXT03p

Have you ever had an invalid line length in any of your extract or trailer files? And that elusive line just frustrates you to no end? Well, take heart! We have a new solution for you. QsXT03p will check lines in the extract or trailer files and report back which line is causing you the grief. From a command prompt, you would type in:

**Qsxt03p iii cc cf filename**

where:

**iii** user's initials  
**cc** company area  
**cf** configuration file key  
**filename** extract or trailer file being checked (e.g. Anre01in.xtr)

**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 send an email to us at [Q2@qsi-r2.com](mailto:Q2@qsi-r2.com). The main topics of past issues were:**

Issue 1 - Multiple Life Processing	Issue 16 - Expanded Files	Issue 30 - Schedule S, Financial Adjustments
Issue 2 - Retention Management	Issue 17 - Retention Management, Reserves Q&A	Issue 31 - Hot Keys, Printing Files, Electronic Files
Issue 3 - Trailers, Help Screens Producer	Issue 18 - T\$POSrt.Idx, Trailers Q&A	Issue 32 - Event Extracts, How to Rerun a Previous Cycle
Issue 4 - Report Generator and Retention Schedules	Issue 19 - Sorting Files	Issue 33 - Electronic Output Viewing Package, Manual Override T
Issue 5 - Transaction Processing and Reinsurance Overrides	Issue 20 - Testing Billing/Valuation Samples	Issue 34 - End of Year Processing
Issue 6 - Input Extracts	Issue 21 - Standards for Backup Procedures	Issue 35 - Initializing New Company Area
Issue 7 - Schedule S	Issue 22 - Warnings and Errors	Issue 36 - Programs in Review
Issue 8 - Report Generator	Issue 23 - Manual Overrides and Conversions	Issue 37 - Waivers: Past and Present
Issue 9 - Year 2000	Issue 24 - CF Flags and Resorting	Issue 38 - Dates in R <sup>2</sup>
Issue 10 - Backups	Issue 25 - Parsing	Issue 39 - Cleaning up System Directories; tracing through TX database
Issue 11 - Viewing Inforce Files	Issue 26 - Manual Override O, Qsxt19p	Issue 40 - Sequences; Status 19
Issue 12 - Extracting Test Data, Status Codes, Transaction Codes	Issue 27 - Priors and Allocation	Issue 41 - Expanded System
Issue 13 - Trailers	Issue 28 - Premium & Allowance Information	Issue 42 - Technical Considerations
Issue 14 - R <sup>2</sup> Windows	Issue 29 - Command Line Ad-hoc, qsre10p.exe	
Issue 15 - What's in a footer?		

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



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