



# A newsletter of developments at Quasar Systems

Issue 31 -March 2002

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*.

## Standardization of Shortcuts (Hot Keys) for Edit Programs

The following seven programs are used to either display or edit various R<sup>2</sup> data files. They were initially developed in Windows independently, and various "Hot Keys," or shortcuts were inconsistently implemented among them. After our August 2000 User Group Meeting, we decided to create some consistency among these programs as well as with Windows shortcuts in general. As of the stated versions, these programs now use conforming shortcuts.

Program	Version	Date
qsxx00	D01k	15Sep00
qsxx03	D09a	30Aug00
qsxx06	D01e	25Aug00
qsre05	D20b	25Aug00
qsre10	D12q	25Aug00
qsre20	D01r	24Aug00
qsvl10	D10a	25Aug00

The standard shortcuts that we have implemented are as follows. Not all shortcuts are relevant to all programs, but when they are, we use the standard key sequence listed.

Action	Key Combination
Set <u>F</u> ont	caF
Select <u>R</u> egion	caR
Select <u>C</u> ompany	caC
<u>E</u> xit Program	caX
<u>O</u> pen File	cO
Search ( <u>P</u> olicy/ <u>K</u> ey)	cF
Search ( <u>L</u> ast Name)	cL
<u>H</u> elp	f

These changes permit Windows to

control the usual Cut and Paste functions.

Copy	cC
Cut	cX
Paste	cV

In addition, the Search options have been separated. Instead of choosing Search and then being asked whether you want to search on Criteria, Policy, or Alpha (Last Name), the Hot Key for Policy goes directly to a window to enter the Policy Number, rather than asking which kind of search you would like.

## User Group 2002

The planning for this year's meeting is continuing smoothly. If you have not yet received information and would like to, check our website at [www.qsi-r2.com](http://www.qsi-r2.com) or send an email to [KimWalters@qsi-r2.com](mailto:KimWalters@qsi-r2.com). Please note one correction to the invitation that was mailed, our fax number is 414-228-8857.

Responses are due 31May2002.

## SOA VL Coverage Sequence

We would like to inform you of a change to the valuation coverage sequence on the electronic files. The coverage sequence will no longer increment for rider benefits connected to a base coverage. This change will make the valuation coverage sequence handling consistent with the transaction coverage sequence handling. For example\*:

An ordinary non-Experience Rated policy with a life term rider with waiver of premium on both parts, but accidental death benefit on only the basic policy. This would have 5 coverage records, with the following Insured Sequence, Coverage Sequence and Coverage Risk Type Codes:

Ins	Cov	Risk	Seq	Seq	Type
01	01	02			Basic Policy
01	01	03			Waiver on Basic Policy
01	01	05			ADB on Basic Policy
01	02	02			Term Rider
01	02	03			Waiver on Term Rider

If joint /additional life, the codes would continue as follows:

02	03	02			Basic Policy
02	03	03			Waiver on Basic Policy

Note that coverage sequence number does not begin at one again for the additional life.

This is effective with Qsvl02p version 16l dated 18-Mar-02.

Please also see the Q&A section devoted to the SOA formatted electronic files.

\*This example is from the "Self-Administered Reinsurance Guidelines for Electronic Reporting" dated October 1991 from the Reinsurance Administration Committee, Reinsurance Section, Society of Actuaries.

# Program in Review

## *Qstextp.exe - The Magical and Mysterious World of Printing*

Qstextp.exe is an executable program that allows you to print R<sup>2</sup> "HP - Ready" Files. Your client liaison can either set up the program as an option in the Menus or help you create a short-cut on your desktop.

### Printing Reports

To use the Menu option, you just follow the path *R<sup>2</sup> Menu Output Files Print HP-Ready Files*. If you have more than one printer installed on your computer, a box labeled "**Choose a Printer**" will appear with a list of printer options. Qstextp.exe will automatically read the printers connected to your system. Double click on the desired local or network printer that you wish to print to.

A window named "**Choose File**" will appear with a list of all the files located in the **Out** Directory for the current region and company. Either double click on the file or highlight the file and click the "Open" button. Listen for the melodious sound of your printer.

If you choose to use Qstextp.exe as an icon, you will be asked for your user initials and password. They are the same as the ones you have set up to enter the R<sup>2</sup> System. Once you have logged in, you will be at the "Choose a Printer" box as above. Qstextp.exe will default to the **Out** Directory of the first region and company it finds. You may move to the region and company you wish to print from by clicking the "Up One Level" button.

To print multiple reports at a time, while at the "Choose a File" stage, hold down the Control button c and click to highlight the files you wish to print. They will be listed in the "File Name" box in quotes. Click the "Open" button to begin printing.

### Printing Select Output Pages from Qsxx06p.exe

While viewing a printer ready report through Qsxx06p.exe (*R<sup>2</sup> Menu Output Files HP-Ready Files*), you have the option to print select pages. Click the **Print** button and a "Printer Dialog" box will appear with a "print pages" option. After specifying which pages you wish to print, click the "**Print**" button. If you choose to print more than one page of a single report or multiple reports, Qsxx06p will automatically concatenate them into a single file named Qsxx06.out in your current **Out** Directory. However, if you exit and re-enter the HP Ready Files editing, the Qsxx06.out is purged of the existing information. Once you are done creating your Qsxx06.out file, you can then print it using Qstextp.exe.

### Printing Pages from Qsre20p.exe

Qsre20p.exe, displays a Policy Summary of inforce policies (*R<sup>2</sup> Menu Inforce Files Policy Summary View Policy Summary*). We added the option to print the Policy Summary information as viewed on the screen. Click the "**Print**" option on the tool bar. A file is created in the **Out** Directory named qsRE20.txt. As long as your do not exit from Qsre20p.exe, the program will automatically concatenate the pages to be printed. If you exit the Policy Summary and re-enter, qsRE20.txt will rebuild this file. Use Qstextp.exe to print qsRE20.txt once you are done.

If you have a local printer this file will automatically be copied to the printer. Depending on how your printer is set up and whether or not R<sup>2</sup> is on a network server, your menus can be configured to print to a local printer or a text file. Please contact your client liaison to have this implemented.

# Q & A - Electronic SOA Formatted Files

**Q: What do Net and Gross Premium stand for on the SOA Files?**

**A:** There are different definitions of Net Premium for transactions and valuation.

## Net premium from a Billing perspective

This field is not present on the Transaction SOA files. However the following equation describes how that amount would be calculated from a Billing perspective.

Net Premium =

(Base premium + Table premium + Policy fee + Flat Extra premium + Miscellaneous premium) -

(Base allowance + Table allowance + Policy fee allowance + Flat Extra allowance + Miscellaneous allowance + Premium Tax allowance)

## Net Premium from Valuation perspective

This number is in columns 147-155 of the V3 record on the SOA valuation file,  
**R2VL[CedingCompany][Reinsurer].SOA.**

The Net Premium shown on the valuation reports is the Valuation (Reserve) Net Premium used to calculate the policy Reserves. This is an actuarial calculation based on the mortality table, interest rate, and valuation method that has been specified for this particular coverage. These items are specified on the Valuation screen of the Plan Header (PH) file, and can be overridden by valuation fields in the Treaty (TY) file, the Stat Reserve (SR) or Tax Reserve (TR) file.

This *actuarial* Net Premium has nothing to do with the **actual** premium being paid to the reinsurer. It is a purely theoretical calculation that is made to comply with State and Federal regulations regarding calculation of reserves for life insurance policies.

## Ceded Gross Premiums on the SOA file

*Annual Total Gross premium* is in columns 106-114 of the V3 record on the SOA valuation file  
**R2VL[CedingCompany][Reinsurer].SOA.** *Annual Total Gross Substandard premium* follows in columns 115-123. *Annual Total Gross Flat Extra premium* is in columns 124-132.

In some cases these numbers may not be accurate.

**IF** the ceding company runs the Qsvl03 program and the correct transaction and valuation database files are present, then the amount in these fields will be the annualized reinsurance premium based on the last renewal or anniversary premium paid.

**IF** the ceding company does not run the Qsvl03 program or if the necessary transaction and valuation database files are not present, then these numbers are taken from the Coverage (RI) file. The values in the RI file are calculated from the rate table defined on the plan header file.

## **If Qsvl03 was not run, or did not complete, and**

**IF** the Plan header is coded with the actual reinsurance premiums paid, then these numbers will reflect the reinsurance premiums paid.

**IF** the reinsurance premiums are paid from rates coded in the Treaty file, Trailer file, or extract, then these numbers may not reflect the actual reinsurance premiums.

**Q: The T2 and T3 records both had policy and joint sequences. Why do the T3 records on the SOA file I received no longer have these sequences?**

**A:** The T2 and T3 records should both contain the policy number, policy sequence and joint sequence. Between Sep 2001 and Feb 2002, a version of Qsre16p omitted these sequence fields on the T3 records.

In some older installations using programs prior to May 2000, zero sequences were set to blank. Now these fields should consistently carry the actual sequence values, even if zero.

**Q: There are # symbols in the R2TX[CedingCompany][Reinsurer].SOA file; what do these represent?**

**A:** Negative policy fees may have been misinterpreted in compressed electronic transaction files produced between Aug 2001 and Mar 2002. The issue has been corrected with Qsre02p version 27r dated 5-Mar-02 and Qsre16p version 09b dated 19-Feb-02.

**Q: There are null characters in the Transaction SOA file R2TX[CedingCompany][Reinsurer].SOA; why?**

**A:** Null characters may have appeared in the *Ceding Company Control Number* (columns 139-153) and *Cession Type* (column 161) fields of joint sequence T2 records on Transaction compressed QSI and SOA files produced between Aug 2001 and Mar 2002. This was corrected with Qsre02p version 27r on 5-Mar-02.

**If you are converting compressed electronic files yourself, please verify that you have the current versions of the following programs:**

Qsre02p	27r	05-Mar-02
Qsre10p	13n	20-Mar-02
Qsre16p	09d	20-Mar-02

**If you are receiving the standard SOA files, you may contact the ceding company. Their QSI liaison can verify that they have these versions.**

**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. The main topics of past issues were:**

Issue 1 - Multiple Life Processing	Issue 11 - Viewing Inforce Files	Issue 21 - Standards for Backup Procedures
Issue 2 - Retention Management	Issue 12 - Extracting Test Data, Status Codes, Transaction Codes	Issue 22 - Warnings and Errors
Issue 3 - Trailers, Help Screens Producer	Issue 13 - Trailers	Issue 23 - Manual Overrides and Conversions
Issue 4 - Report Generator and Retention Schedules	Issue 14 - R <sup>2</sup> Windows	Issue 24 - CF Flags and Resorting
Issue 5 - Transaction Processing and Reinsurance Overrides	Issue 15 - What's in a footer?	Issue 25 - Parsing
Issue 6 - Input Extracts	Issue 16 - Expanded Files	Issue 26 - Manual Override O, Qsxt19p
Issue 7 - Schedule S	Issue 17 - Retention Management, Reserves Q&A	Issue 27 - Priors and Allocation
Issue 8 - Report Generator	Issue 18 - T\$POSrt.Idx, Trailers Q&A	Issue 28 - Premium & Allowance Information
Issue 9 - Year 2000	Issue 19 - Sorting Files	Issue 29 - Command Line Ad-hoc, qsre10p.exe
Issue 10 - Backups	Issue 20 - Testing Billing/Valuation Samples	Issue 30 - Schedule S, Financial Adjustments
		Issue 31 - Hot Keys, Printing Files, Electronic Files

Current SOA file manager version is 01p.

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