



Q²

A newsletter of developments at Quasar Systems

Issue 39 -March 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 R², *The Reinsurance Resolution*.

Cleaning up the Clutter

No matter how much I dislike cleaning up, I realize that unnecessary clutter can create inefficiencies.

Throughout this article we are going to discuss ways that you can remove or organize "clutter" in your directories.

OUT Directory

This directory contains all of the output from the system: billing files, electronic files, ad-hoc reports, and databases. R² zips up these files (with the exception of the ad-hoc reports) and stores them by ceding company code and run date. Periodically, these zip files can be removed and stored externally (e.g. CD or DVD). We suggest that you do this at least once a year. The individual files can also be removed, considering they are kept in the zip files.

Sometimes it is necessary to unzip one of these files from a previous billing period to look at the data. If you do this, it is best to delete the unzipped files after you have finished with them to keep the directory free from additional files.

If you are creating ad-hoc reports, please remember to name them with a name that explains what the report contains along with its run date. If this is a report that is created each billing period, you may wish to discuss with your client liaison how these reports may be included in the backup zip files created by R². If these reports are not necessary or do not need to be referenced again, they should be deleted.

Company Directory

The system backup files *ccDATAmmyy.zip*, *ccPOSTmmyy.zip*, and *ccPRE_mmyy.zip* files are contained in this directory (where *cc* is the ceding company and *mmyy* is the report date). These files (like the zip files mentioned earlier) can be removed and stored externally (e.g. CD or DVD).

Sample files created for testing should also be removed and placed into a test company directory or environment. These files can then be deleted once your testing is complete.

REINS and QUASAR Directories

Files should never be saved in these directories unless your client liaison gives you these files and indicates that they should be stored here. Likewise, no files should be deleted from these directories without the advice of your client liaison.

T\$Temp Directory

This folder is located under the Reins Directory. All files in this directory can be deleted at any time without impacting the run cycle of the system. Within our company we have adopted a standard of naming temporary files. These files begin with *t\$* to indicate that they are temporary and can be deleted at any time.

However, please do not delete the *T\$Temp* directory itself, as you will receive errors when running the system. The system needs this directory to store log files created every time the system is used.

Other Suggestions

We suggest keeping a notes directory where you can store any system notes, sample or test files, update documents, and program updates. We suggest that this directory be placed at the same level as the *REINS* and *QUASAR* directories.

If you have any questions at all about cleaning up directories, please ask your client liaison prior to deleting any files.

Tracing through the Transaction Database

How to tell where a premium or allowance came from on R²

Often when testing a new product or investigating a policy, the question is posed regarding how the system came up with that specific premium or allowance. We all have been puzzled at one time or another when an amount we are expecting on the bill for premium and allowance differs from what R² is calculating. Premium or allowance amounts can be calculated in several ways and on several different levels throughout the R² system.

Premium rate tables (**MF**) can be coded for a product in either a plan header (**PH**) or treaty (**TY**). Premium rates for a specific policy may come through in values trailers (anre01in.val) as well. If a specific, one time, premium dollar amount needs to be charged or credited, you can put a dollar amount in the extract (anre01in.xtr) by coding the "Premium Override" field.

Allowances (**RF**) work the same way. Allowance tables can be coded in the TY or PH. Allowances can also be coded in values trailers (anre01in.val). A specific dollar amount for a policy, may be coded on the extract (anre01in.xtr) in the "Allowance Override" field.

The R² System tracks of what was used when calculating the premium or allowance. The information can be found when viewing the Transaction Database (R²TXmmyy.qsi). For every transaction R² processed on a policy during a billing cycle, there are **X2**, **X3**, **X4** and **X5** Records.

The **X2 Record** contains the policy and insured information. There is one X2 Record for each insured on a single transaction.

The **X3 Record** contains coverage information. There is an X3 Record for each coverage (benefit, rider) for a transaction.

The **X4 and X5 Records** contain the reinsurance and premium information. There is an X4 and X5 record for each reinsurer on a coverage.

In the bottom left of the **X4 Record** in the box labeled "Premiums and Allowances", the premium and allowance amounts are broken down into categories: *Base*, *Standard*, *Misc* (miscellaneous) and *Policy Fee*. The first column next to the category is the premium charged for the

specific reinsurer and the third column is the amount of the allowance calculated for the specific reinsurer. Next to each dollar amount is a code that tells you where R² received its instruction for calculations.

Base	169.97	PH	0.00	TY
Table	0.00	*B	0.00	TY
Flat	0.00		0.00	TY
Misc	0.00		0.00	RE
Fee	13.33	PH	0.00	TY

Premiums and Allowances

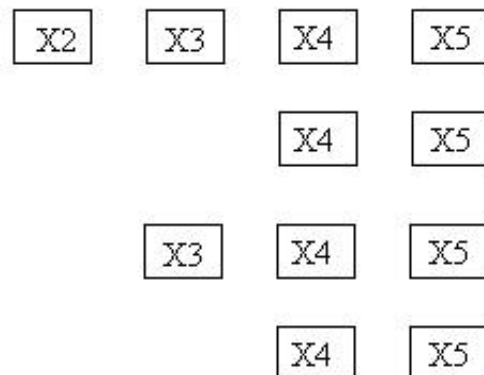
PH rate table coded in a Plan Header.
TY rate table coded in a Treaty.
XT amount coded in the Extract.
TR amount coded in a Trailer.
***B or %B** percent of base.
RE or blank premium tax.

The **X5 Record** is useful if rate tables were used to calculate the premium amount on a PH or TY. The X5 Record should *not* be used if the premium and allowance amounts came from the Extract or Trailer level. The X5 Record is an extension of the X4 Record, and displays the tables used for the premium and allowance amounts.

Base	UL0008FN01	PH		TY
Table		*B		TY
Flat				TY
Misc				RE
Fee	60.00	PH		TY

Premiums and Allowances

The diagram below depicts a policy with the base policy plus a rider. Each coverage has two reinsurers.





Questions and Answers

Q: What does a transaction type of JD mean? This has just appeared for the first time on my February bills.

A: For joint second-to-die policies, when one of the insureds died, we had no definite way of describing which insured it was. Transaction code **JD** now shows which of the insureds has died. In determining what transaction code to use, we did not want to use the traditional death transaction code (**DH**), to avoid confusion. If the CF flag *RE02 Show Status* is set to **Yes**, the billing will display *joint death* on the right hand side of the bill, and *inforce* for the other insured.

In order for this transaction to occur, the input extract needs to have an *inforce* status on sequence 00, a status **61** on the living insured, and a status **66** on the deceased insured (assuming joint sequences 0, J, K format). These status codes will also appear on the X2 records of the Transaction Database.

Q: I ran Retention Management and noticed that there was a report that I have not seen before. What information is held in the qsRMmmyy.new report?

A: This report option was added in 2003. The report contains information on insureds with more than one policy. However, this report only contains insureds with multiple policies *if* at least one of those policies is a New Business policy appearing for the first time during the reporting period. If the insured has multiple policies, but they are already *inforce*, the insured will not appear on this report; instead you could find him on the qsRMmmyy.out report.

Q: I need to code my allowance trailer to be a percentage. Instead, it is coming through as a rate per thousand. What should I do to code the allowance trailer as a percentage?

A: In the trailer key, there is a field called **Decimal**. This field controls whether or not the values entered into the trailer will be used as a rate, an amount, or a percentage.

In your situation, you would code a percent sign (%) in the **Decimal** field. All values coded will then be used as a percentage. So, a display of 3.00 will be used as 3.00%.

There are also the following options for rates. However, regardless of the settings listed below, there will always be two implied decimal places *showing* on the data entry screen.

Blank - this is assumed to be a *rate per thousand* with two implied decimal places. Therefore a display of 3.00 will actually be used as \$3 per thousand.

0 - No decimal places will be used. This coding is for an actual *amount*. A display of 3.00 will be used as \$300.

1 - One decimal place will be used. This coding is for an actual *amount*. A display of 3.00 will be used as \$30.

2 - Two decimal places will be used. This coding is for an actual *amount*. A display of 3.00 will be used as \$3.

User Group 2004

Camp Quasar is just around the corner! Invitations have been mailed, and the information and registration materials have been posted on our website. If you are interested, please visit our website (www.qsi-r2.com). This year's User Group Meeting will be held 11Aug-13Aug-2004 at the Hilton Milwaukee City Center. The registration deadline is 31-May-2004. Don't delay!

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:

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 ²
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 12 - Extracting Test Data, Status Codes, Transaction Codes	Issue 27 - Priors and Allocation	
Issue 13 - Trailers	Issue 28 - Premium & Allowance Information	
Issue 14 - R ² 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 01z.

Don't forget to stop by and see us at the ACCORD / LOMA Convention in Las Vegas this May!
We are booth 1019.



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