Product Development Workshop

Systems Programming and Training Identification

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System Functionality

Any Policy Issuance System should:

- Derive the Policy Premium & Issue the Policy
- Provide Statistical Data for Regulators
- Provide Accounting Information
- Provide Management Information
- Future Pricing Needs

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Systems Programming/Design

- Algorithms
  - Exposure times Rate = Premium
- Rating Information
  - Which Rate to What Exposure

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Algorithms

- Coverage A: Exposure times Rate = Premium
  - Exposure = Home Value
  - Rate varies by Home Value
- Coverage B: In filing this is a % of Coverage A,
  - but limited in State X to $100.
    - Coverage B = if{State=X,Max[(Coverage A times %),100], [(Coverage A times %)}
  - State Y decides to Cap at $150 & State Z at $200?
- What happens if the policy is cancelled mid-term?
  - Fully Earned Status?
  - Does the formula properly prorate?
  - Waiver of Premium clause?

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Rating Information

- **Basic Table Structure**

State	Home Value	Rate per 1000
State AA	100,000	100
State AA	125,000	115
State AA	150,000	128
State AA	175,000	140
State AA	200,000	150
State AA	225,000	158
State AA	250,000	163
State AA	275,000	166
State AA	300,000	168

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Rating Information

- **Enhanced Table Structure – Coverage B**

State	% of Premium	Cap
State AA	15%	-
State X	15%	100
State Y	15%	150
State Z	15%	200

State	Cap
State X	100
State Y	150
State Z	200

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Rating Information

- **Who fills out the tables?**
  - Rate Change updates
  - Product Changes
- **How do the tables get into the system?**

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Down Stream Data/Interfaces

- **Is everything we need sent downstream?**
  - Stat Codes
  - Rating Information
  - Premium Tax Data
  - Billing Information
  - Management Data

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Training Identification

- Customer vs. Company Personnel
- Computer System vs. Product

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