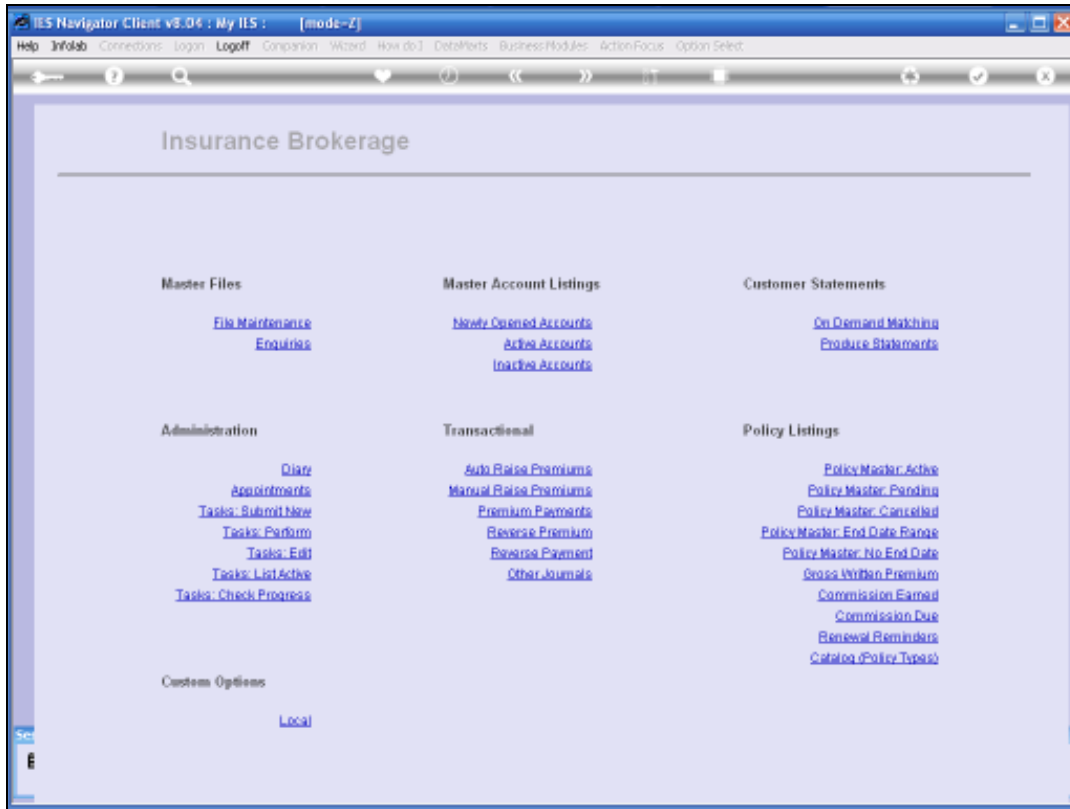


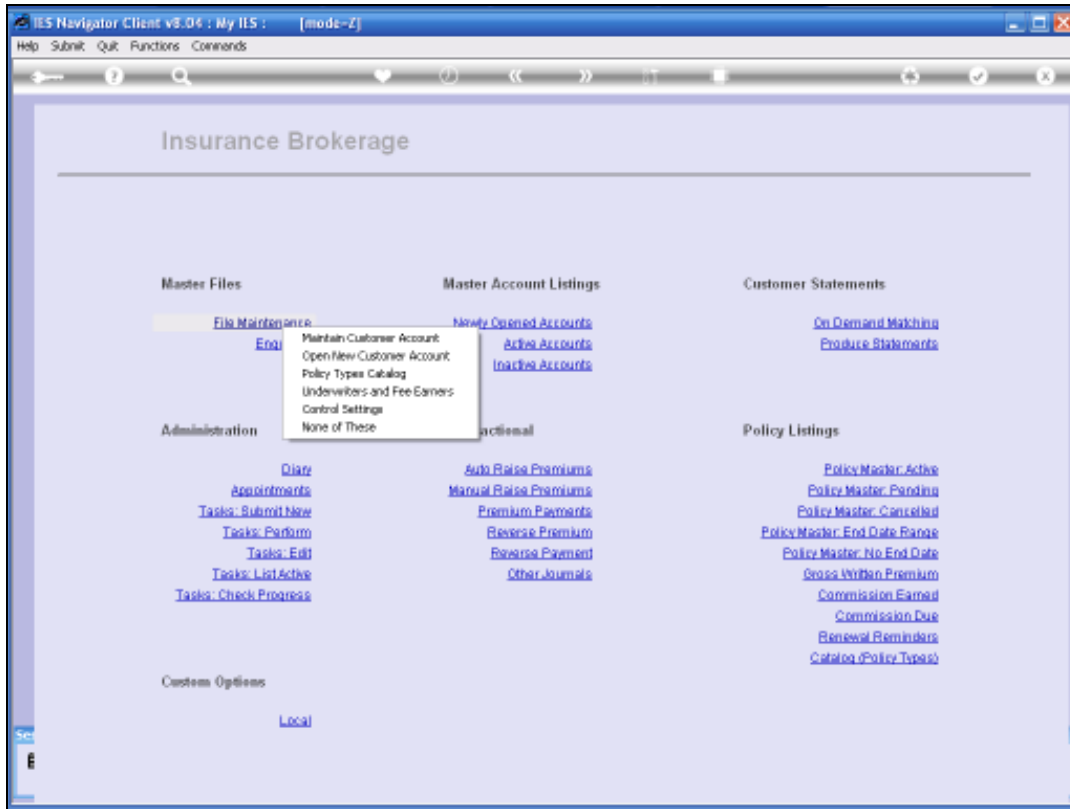
Slide 1

In this tutorial we are looking at the Processing of Premiums, i.e. Raising of Premiums and Collection of Premiums from the Accounting perspective, to see how it takes place in the Accounts.

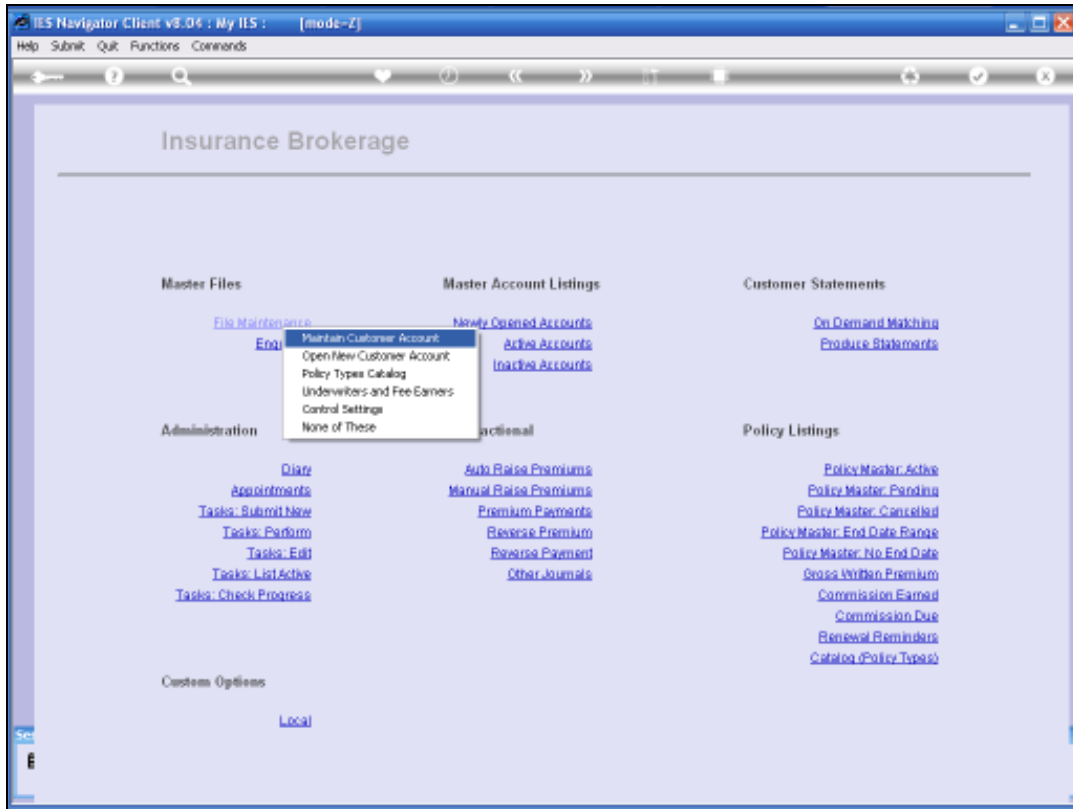


Slide 2

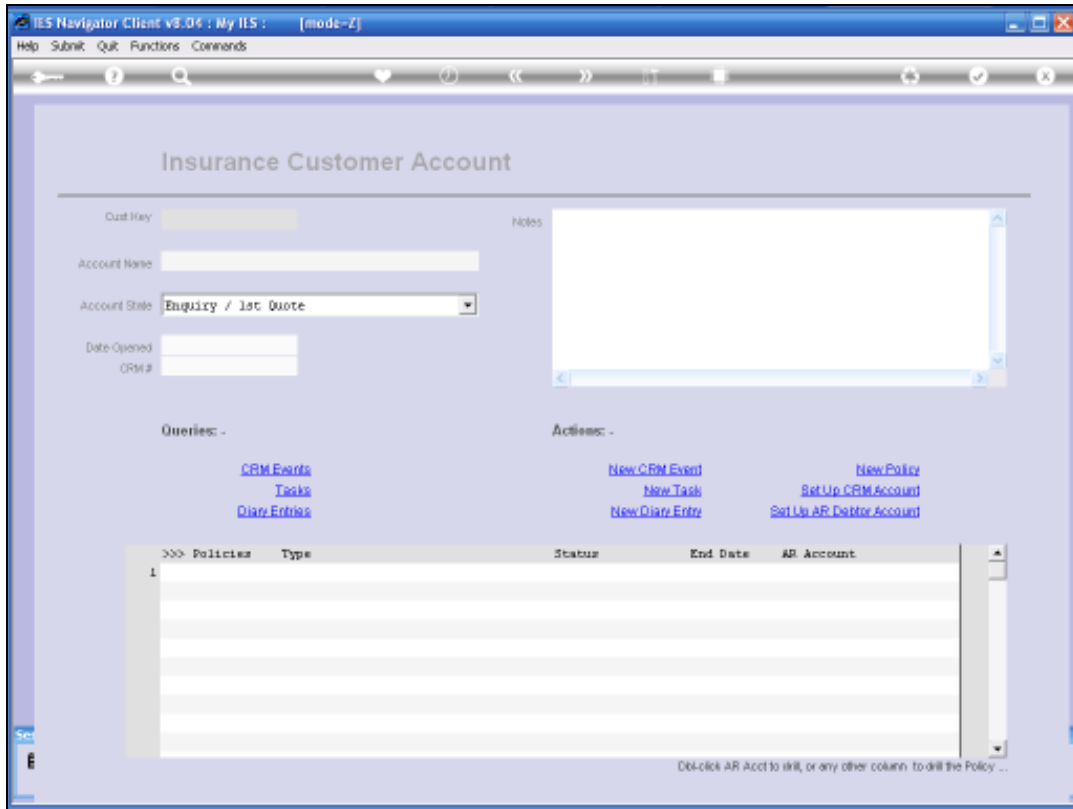
We start by looking at a Policy Master.



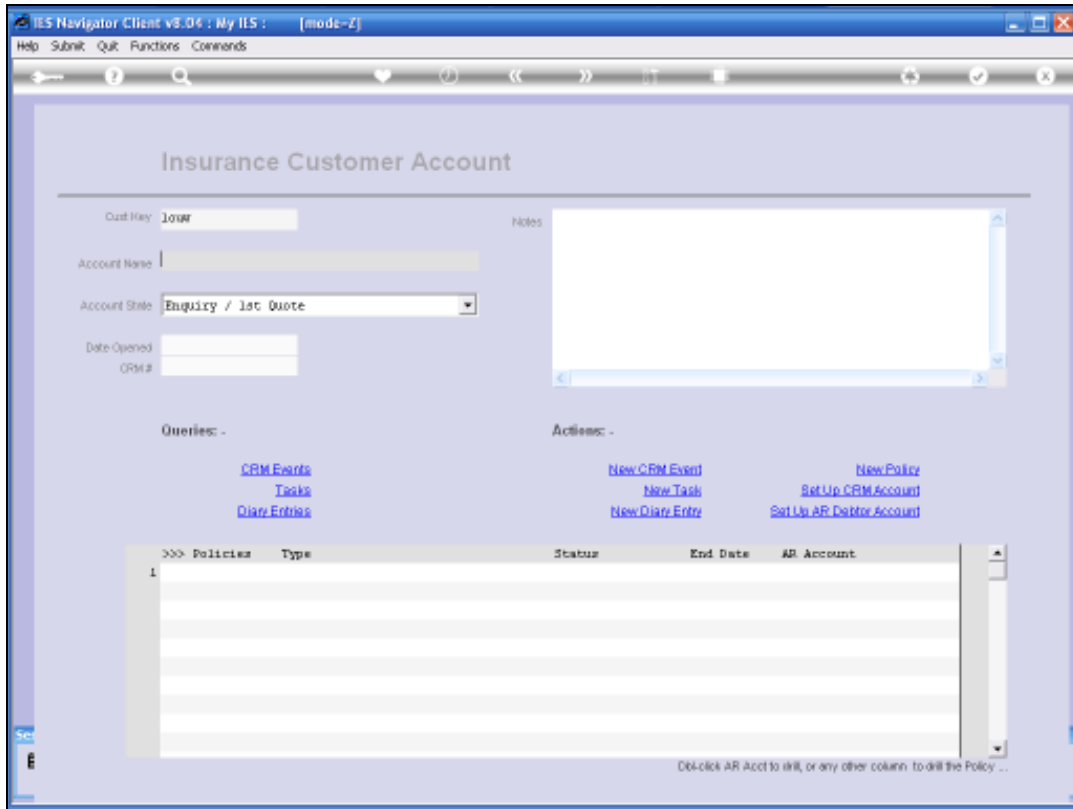
Slide 3



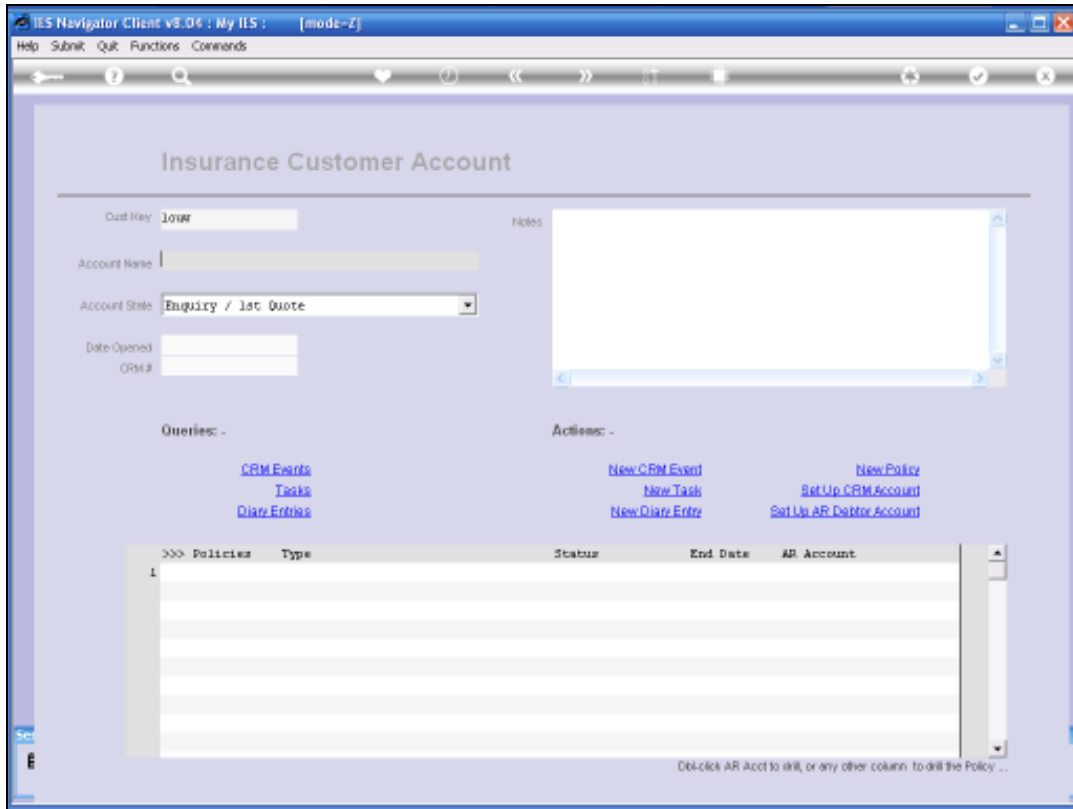
Slide 4



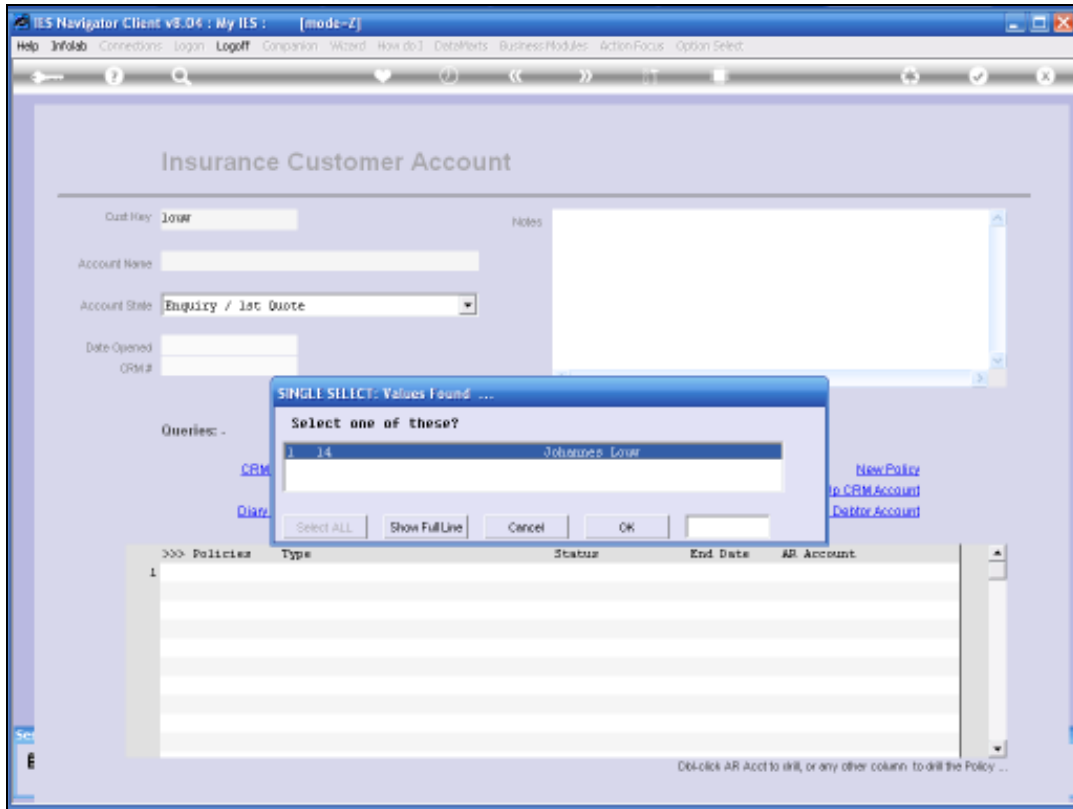
Slide 5



Slide 6



Slide 7



Slide 8

OutKey: 14

Account Name: Johnston, Tom

Account State: Active

Date Opened: 21/11/2007

CRM#: 09463

Notes:

Queries:

- [CRM Events](#)
- [Tasks](#)
- [Diary Entries](#)

Actions:

- [New CRM Event](#)
- [New Task](#)
- [New Policy](#)
- [Set Up CRM Account](#)
- [Set Up AR Doctor Account](#)

>>>	Policies	Type	Status	End Date	AR Account
1	20	D1 Household	Active	30/11/2008	D00021
2	21	D2 Car	Active	30/11/2008	D00021
3	22	D3 Boat	Active	30/11/2008	D00021

DBL-click AR Acct to drill, or any other column to drill the Policy ...

Slide 9

IES Navigator Client v8.04 : My IIS : [mode-Z]

Help Submit Quit Functions Commands

Insurance Policy Master

[AR Debtor Account](#) [New Claim Entry](#)
[Revenue](#) [New Task](#)

Policy Number: **45678**

Insurance Account: 14 Johannes Lewis

AR Debtor Account: D00021 Johannes Louis

Currency: LOCAL R

Policy Type: 01 Household

Start Date: 01/11/2007

End Date: 30/11/2008

Renewal Date: 01/11/2008

Status: Active

Insurer: 0013: 1st National

Gross Fee: 2,400.00

Fee Earner: D006: Klaus Donahoe

Commission %: 10.00

Commission Basis: Net

Premium (Gross Inc): 200.00

Fee Interval: 1: Monthly

Fee Day: 1

Notes:

>>> Payments Received			
	Date	Period	
1	200.00	26/11/2007	82 [Nov 2007]

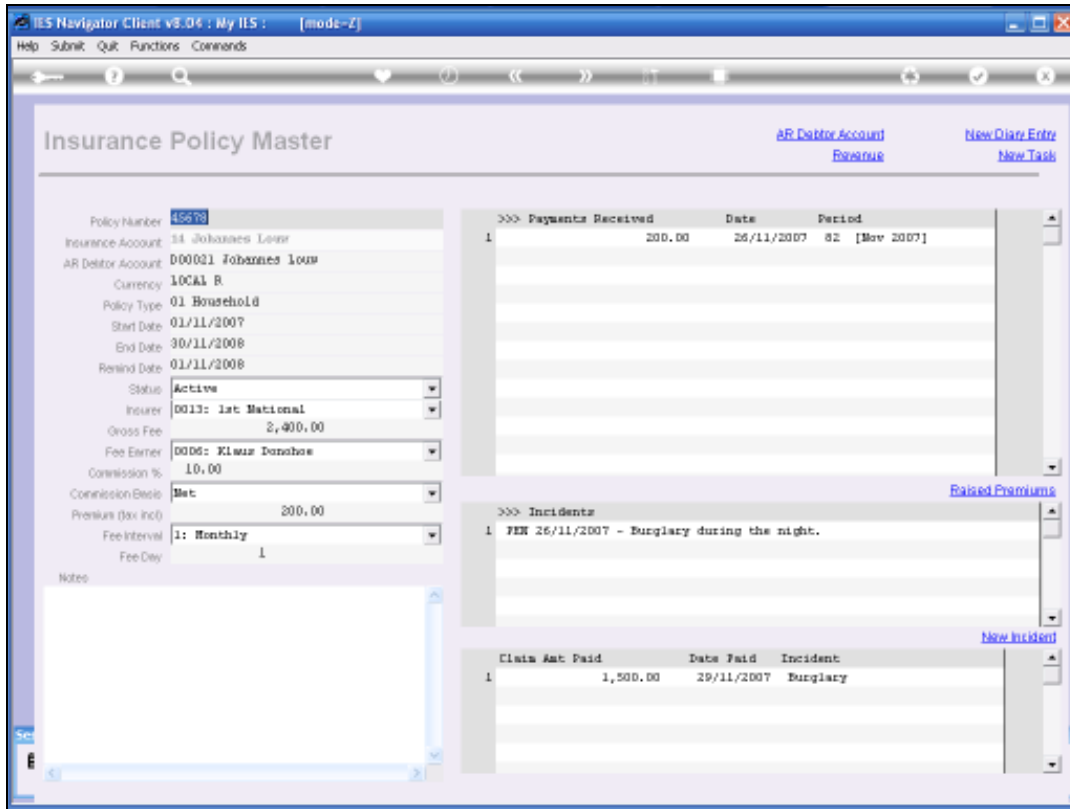
[Raised Premiums](#)

>>> Incidents	
1	PER 26/11/2007 - Burglary during the night.

[New Incident](#)

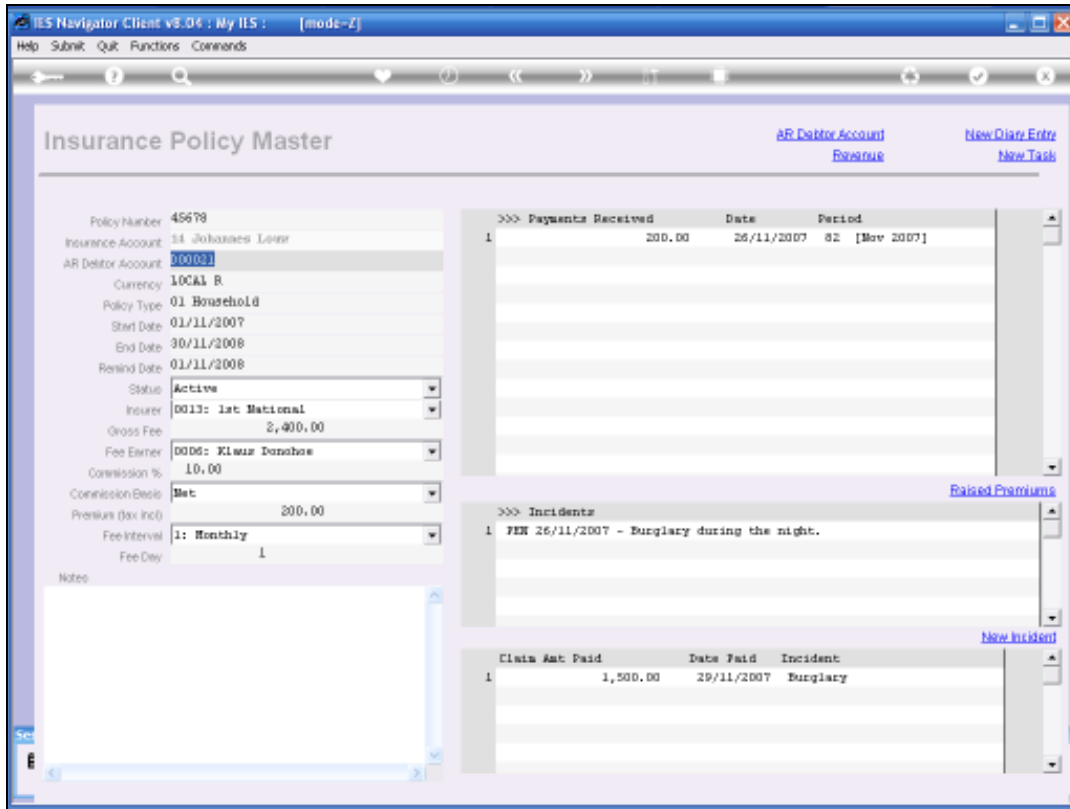
Claim Amt Paid	Date Paid	Incident
1	1,500.00	29/11/2007 Burglary

Slide 10



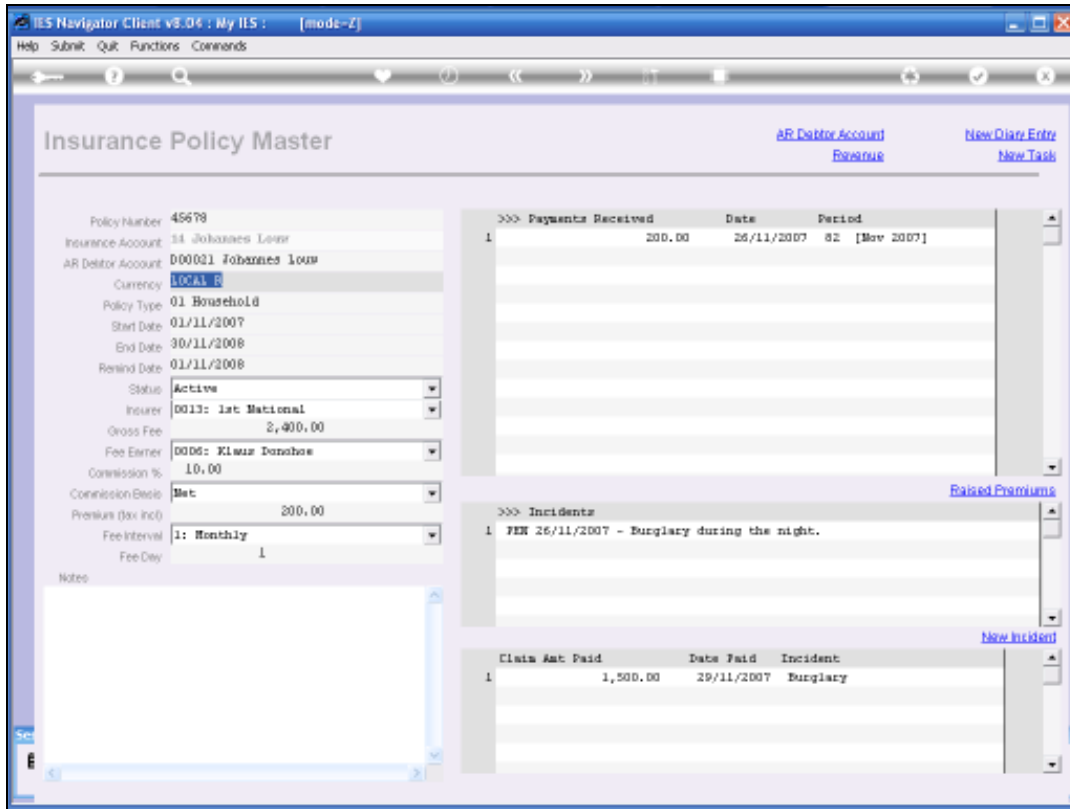
Slide 11

A Policy is always linked to an AR Debtor Account.



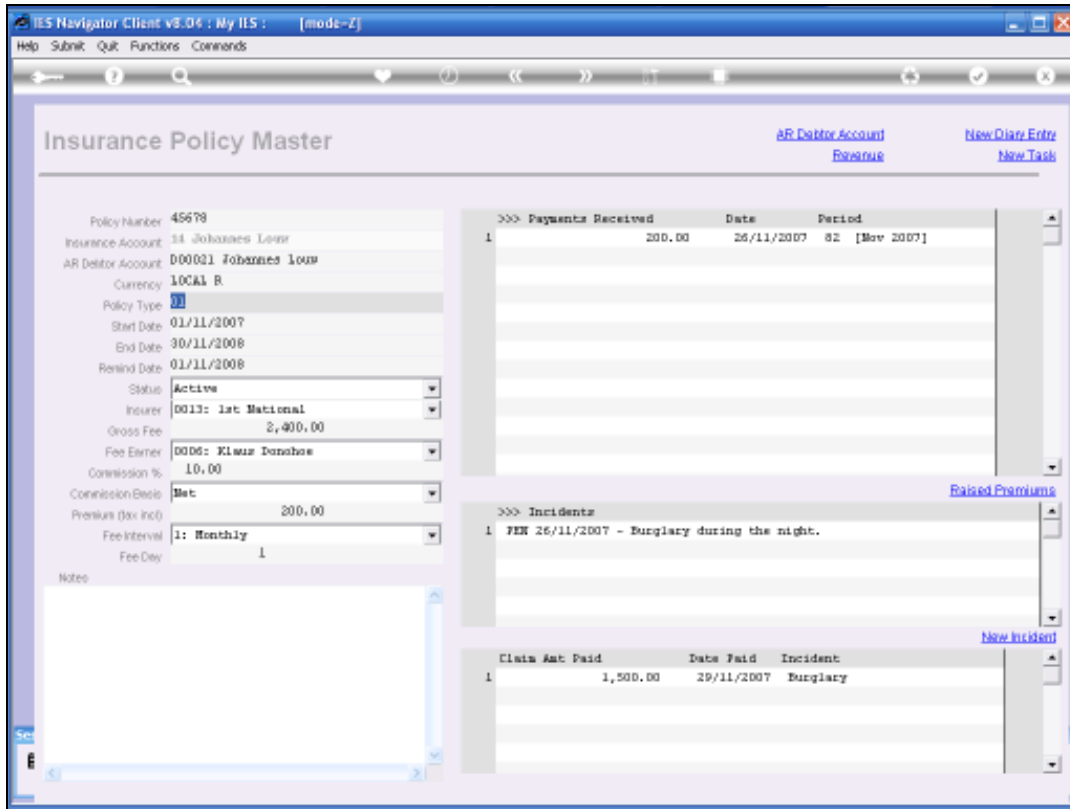
Slide 12

There is always a Currency indication, whether Local Currency or a Foreign Currency. The Currency is always the same as that of the Debtor Account that is linked to this Policy.



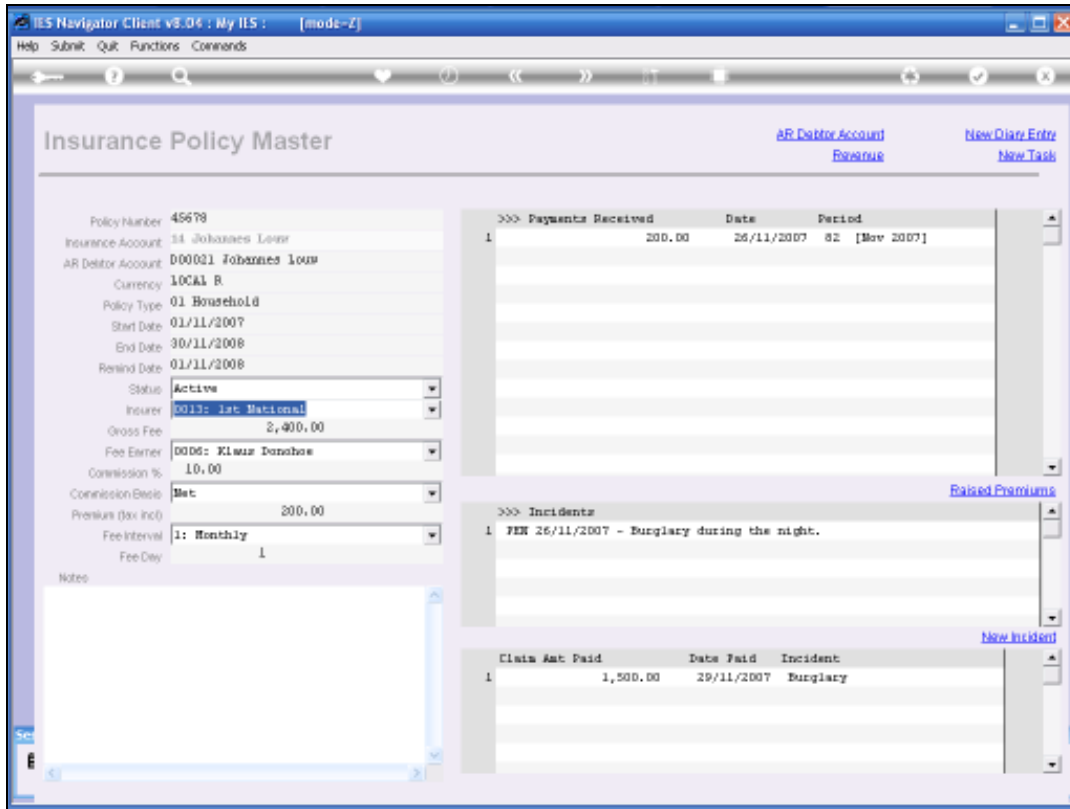
Slide 13

There is always a Policy type and from the Policy Type, on the Policy Master, the System can derive the Tax implications of how to deal with the Premiums.



Slide 14

There is always an Insurer linked to the Policy. And for the Insurer there is an appropriate AP Creditor Account in the same Currency as this Policy.



Slide 15

There is always a linked Fee Earner who earns the Commission and for the Fee Earner there is also an appropriate AP Creditor Account, either in the same Currency or at least in the Base Local Currency. The AP Creditor Account is able to deal with all Currencies.

IES Navigator Client v8.04 : My IIS : [mode-Z]

Help Submit Quit Functions Commands

Insurance Policy Master

[AR Debtor Account](#) [New Claim Entry](#)
[Revenue](#) [New Task](#)

Policy Number: 45678
Insurance Account: 34 Johannes Lewer
AR Debtor Account: D00021 Johannes Iouf
Currency: LOCAL R
Policy Type: 01 Household
Start Date: 01/11/2007
End Date: 30/11/2008
Renewal Date: 01/11/2008
Status: Active
Insurer: 0013: 1st National
Gross Fee: 2,400.00
Fee Earner: 0006: Klaus Donohue
Commission %: 10.00
Commission Basis: Net
Premium (tax incl): 200.00
Fee Interval: 1: Monthly
Fee Day: 1

Notes

>>> Payments Received			
	Date	Period	
1	200.00	26/11/2007	82 [Nov 2007]

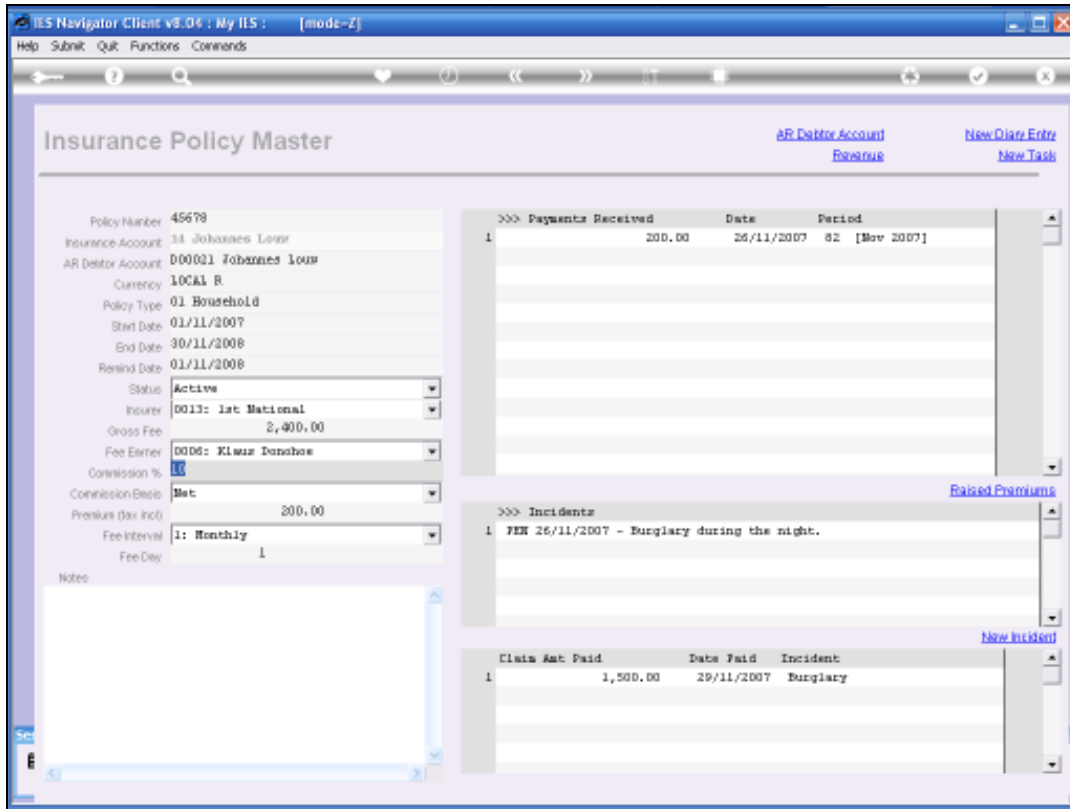
[Raised Premiums](#)

>>> Incidents	
1	BUR 26/11/2007 - Burglary during the night.

[New Incident](#)

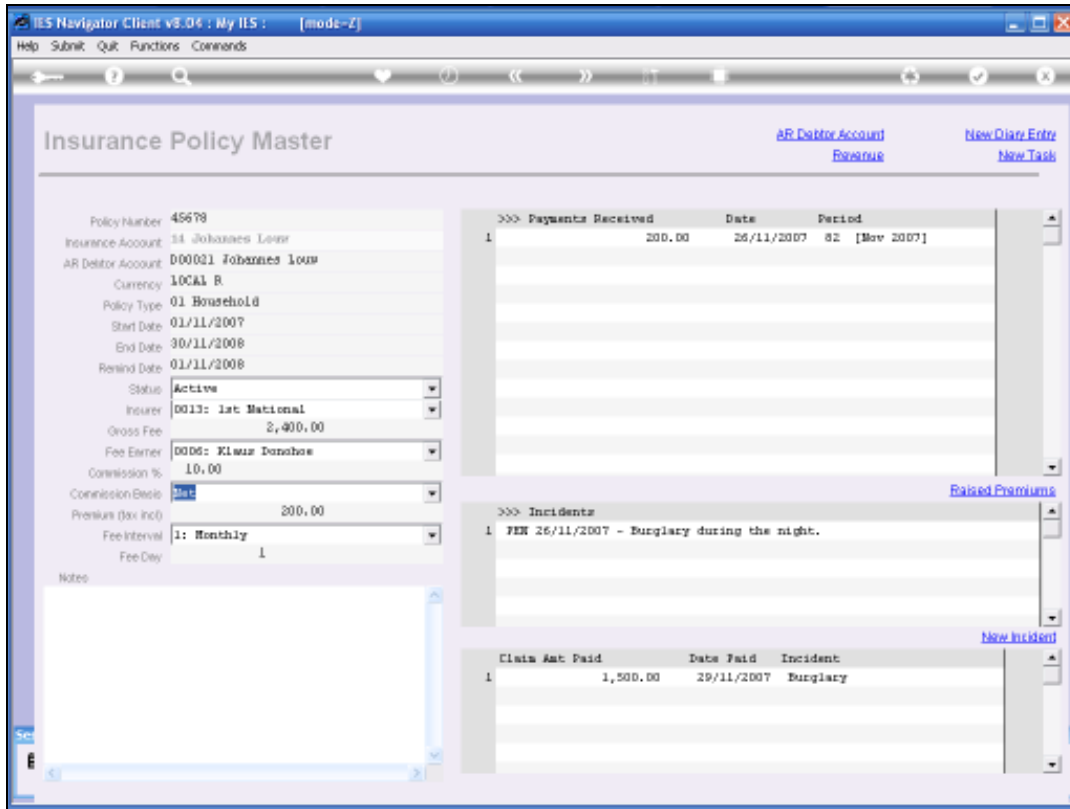
Claim Amt Paid	Date Paid	Incident
1	1,500.00	29/11/2007 Burglary

Slide 16



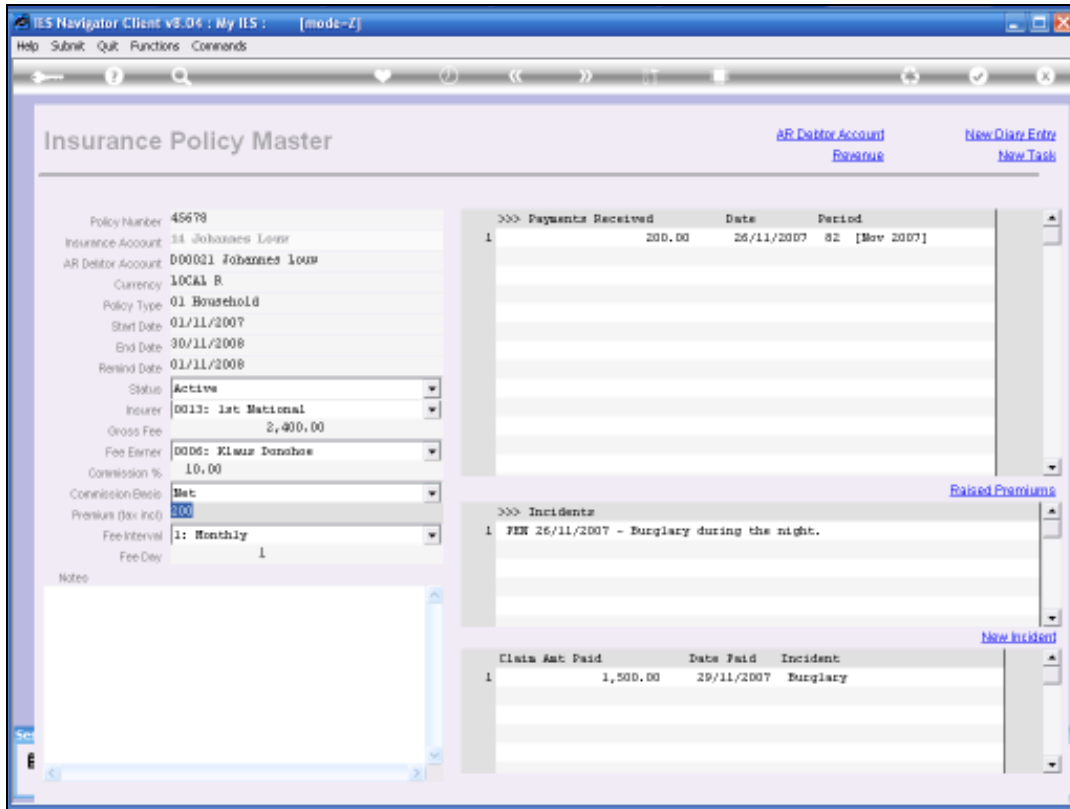
Slide 17

If there is no specific A P Creditor Account, for this Fee Earner, in another Currency (when the Policy is in another Currency) then there is always a Commission Percentage, which the System can use to calculate the Commission.



Slide 18

There is always a basis for the Commission Calculation, either on Net or on Gross and which can have an impact when there is Tax collected on the Premium.



Slide 19

Of Course there is a Premium Indication and a Fee Interval when the Premium is collected.

IES Navigator Client v8.04 : My IIS : [mode-Z]

Help Submit Quit Functions Commands

Insurance Policy Master

[AR Debtor Account](#) [New Claim Entry](#)
[Revenue](#) [New Task](#)

Policy Number: 45678
Insurance Account: 14 Johannes Lewer
AR Debtor Account: D00021 Johannes Iouf
Currency: LOCAL R
Policy Type: 01 Household
Start Date: 01/11/2007
End Date: 30/11/2008
Renewal Date: 01/11/2008
Status: Active
Insurer: 0013: 1st National
Gross Fee: 2,400.00
Fee Earner: D006: Klaus Donshoe
Commission %: 10.00
Commission Basis: Net
Premium (tax inc): 200.00
Fee Interval: 1: Monthly
Fee Day: 1

Notes

>>> Payments Received			
	Date	Period	
1	200.00	26/11/2007	82 [Nov 2007]

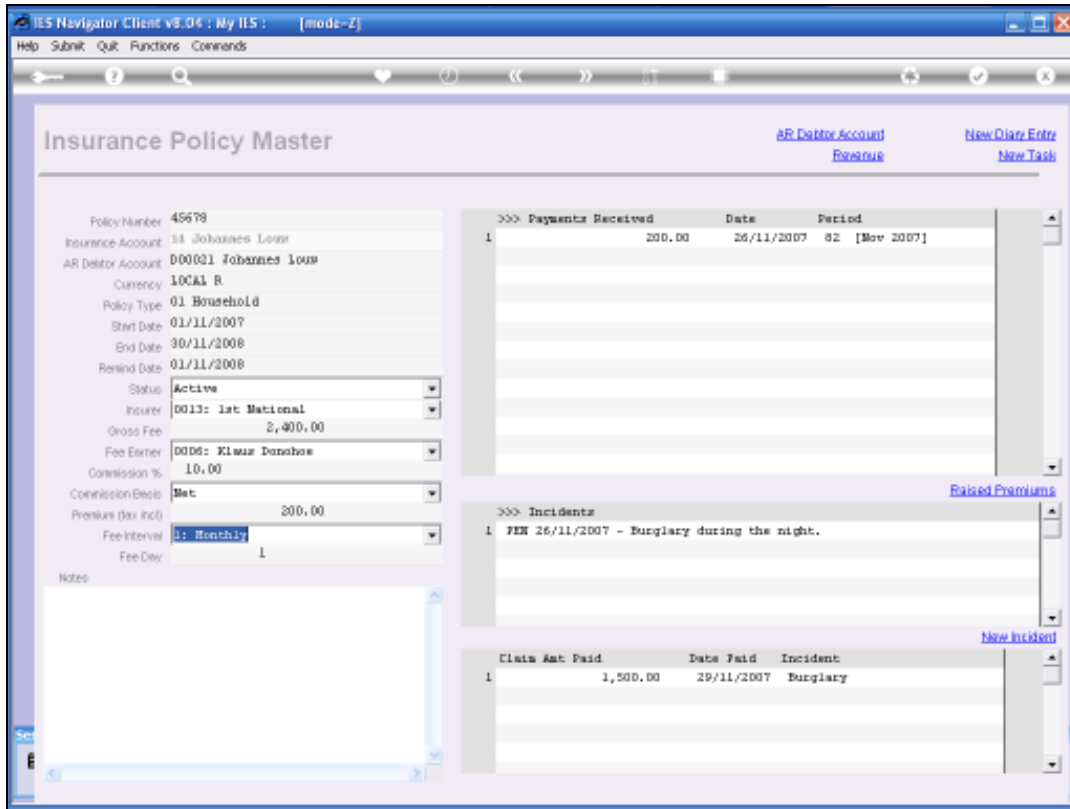
[Raised Premiums](#)

>>> Incidents	
1	PER 26/11/2007 - Burglary during the night.

[New Incident](#)

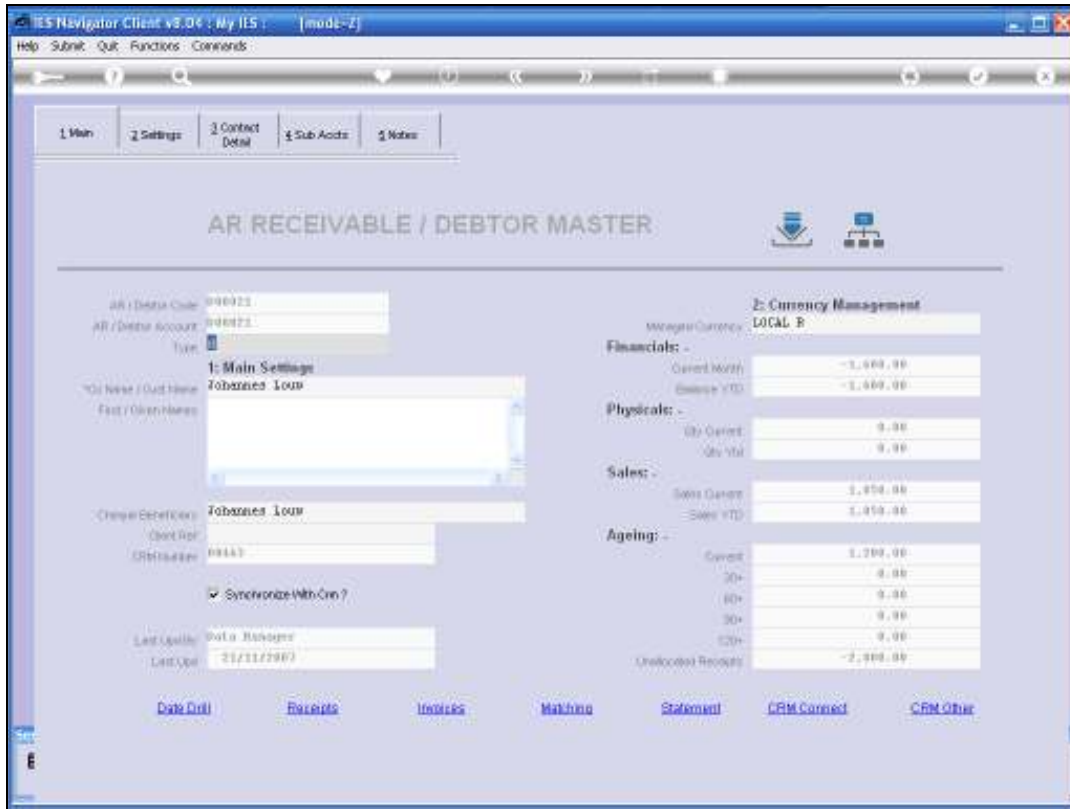
Claim Amt Paid	Date Paid	Incident
1	1,500.00	29/11/2007 Burglary

Slide 20



Slide 21

Now let us drill into the A R Debtor Account for this particular Policy.



Slide 23

IES Navigator Client v8.04 : My IIS : [mode-Z]

Help Submit Quit Functions Commands

1 Main 2 Settings 3 Contact Detail 4 Sub Accts 5 Notes

AR Debtor Master: Settings

3: Internal Management

Transaction Status:
 Control Acct: 100-00-035 DEBTOR CONTROL (1) PRIVATE LE

Open Item Management:

Tax Exempt Customer?

Tax Reg Number:

Rating:
 Category:
 Group:

Security No:

4: Internal Issues and Retail

Profit:
 Fin Limit (in Local Currency):

Credit Status:

Disallow Retail Charges

Retail Direct Discount %:
 Formula Indicator:
 Retail Terms:
 Rate Book:

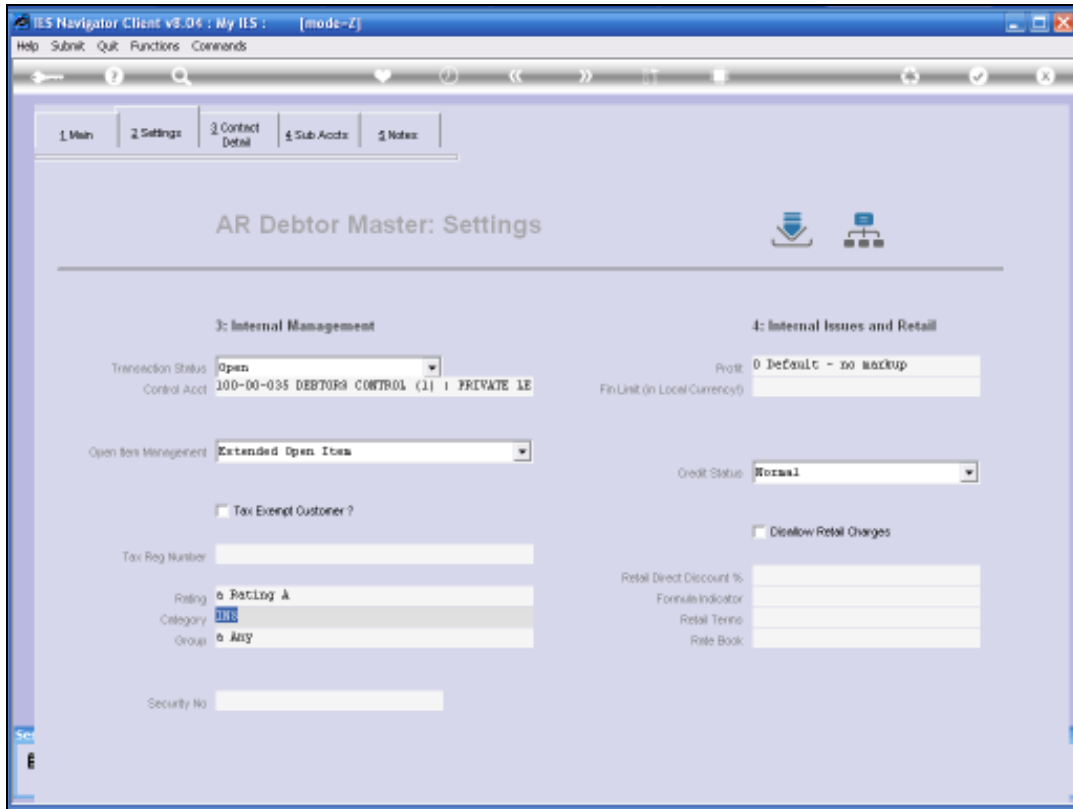
Slide 24

It is simply flagged for Insurance as the category. All Accounts have a category and these Accounts have the Insurance category. But other than that, are just the same as all other Debtor Accounts.

So the Account can in fact be transacted with Standard Journals. For anything else, that is not Premium related, with Standard Journals.

But as far as Premiums are concerned, the raising of Premiums and Collection of Premiums - that must be done with the Standard Insurance Options to work with Premiums.

Other than that, the Account can be transacted with Standard Journals.



Slide 25

IES Navigator Client v8.04 : My IIS : [mode-Z]
Help Submit Quit Functions Commands

1 Main 2 Settings 3 Contact Detail 4 Sub Accts 5 Notes

AR Debtor Master: Settings

3: Internal Management

Transaction Status: Open
Control Acct: 100-00-035 DEBTORS CONTROL (1) PRIVATE LE

Open Item Management: Extended Open Item

Tax Exempt Customer?

Tax Reg Number: _____

Rating: Retail A
Category: INS Insurance
Group: _____

Security No: _____

4: Internal Issues and Retail

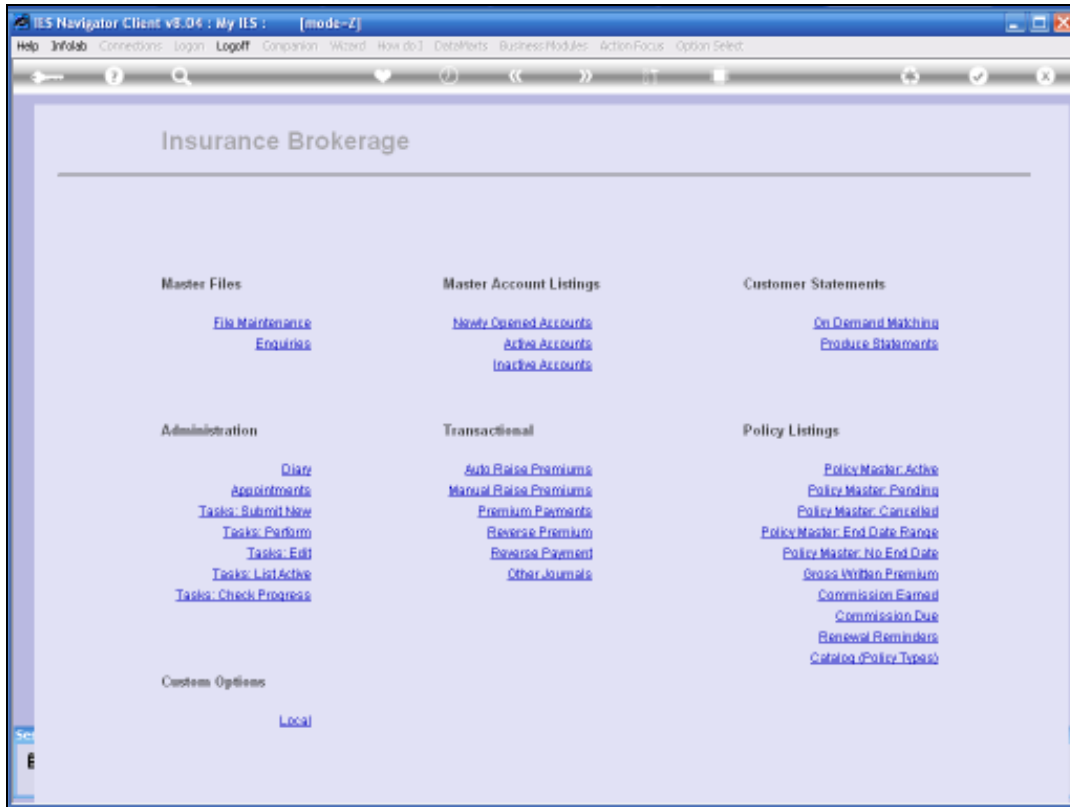
Profit: 0 Default - no markup
Fin Limit (in Local Currency): _____

Credit Status: Normal

Disallow Retail Charges

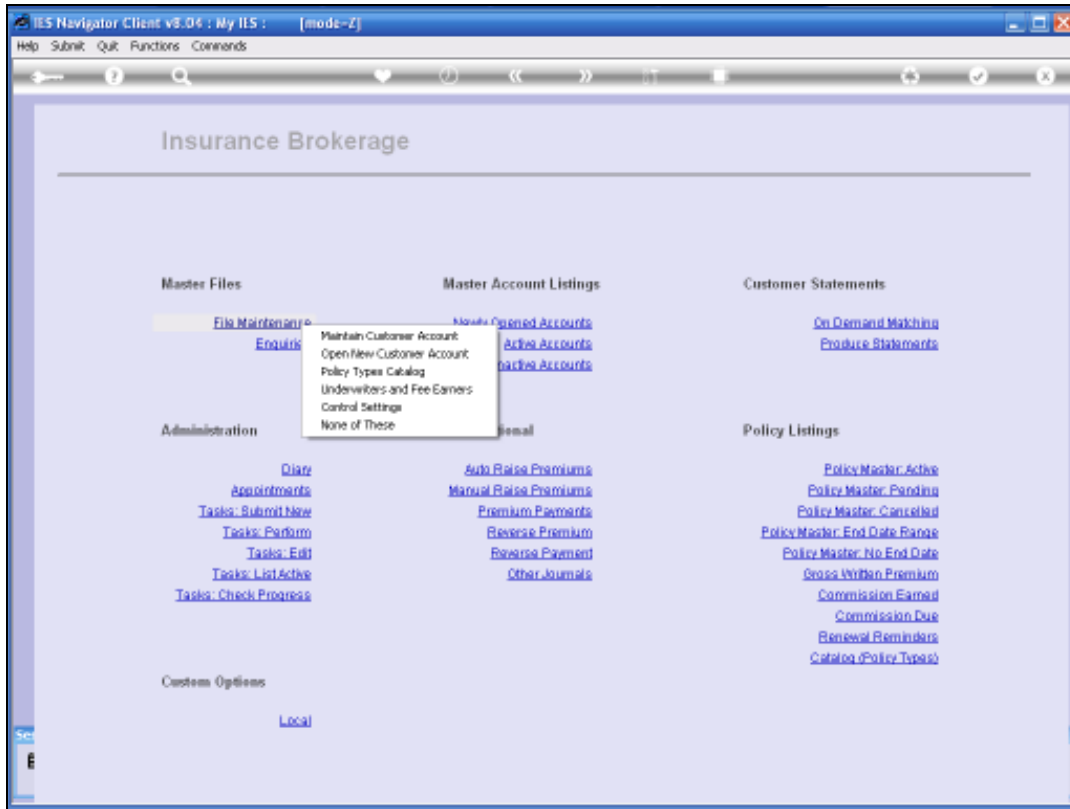
Retail Direct Discount %: _____
Formula Indicator: _____
Retail Terms: _____
Rate Book: _____

Slide 26

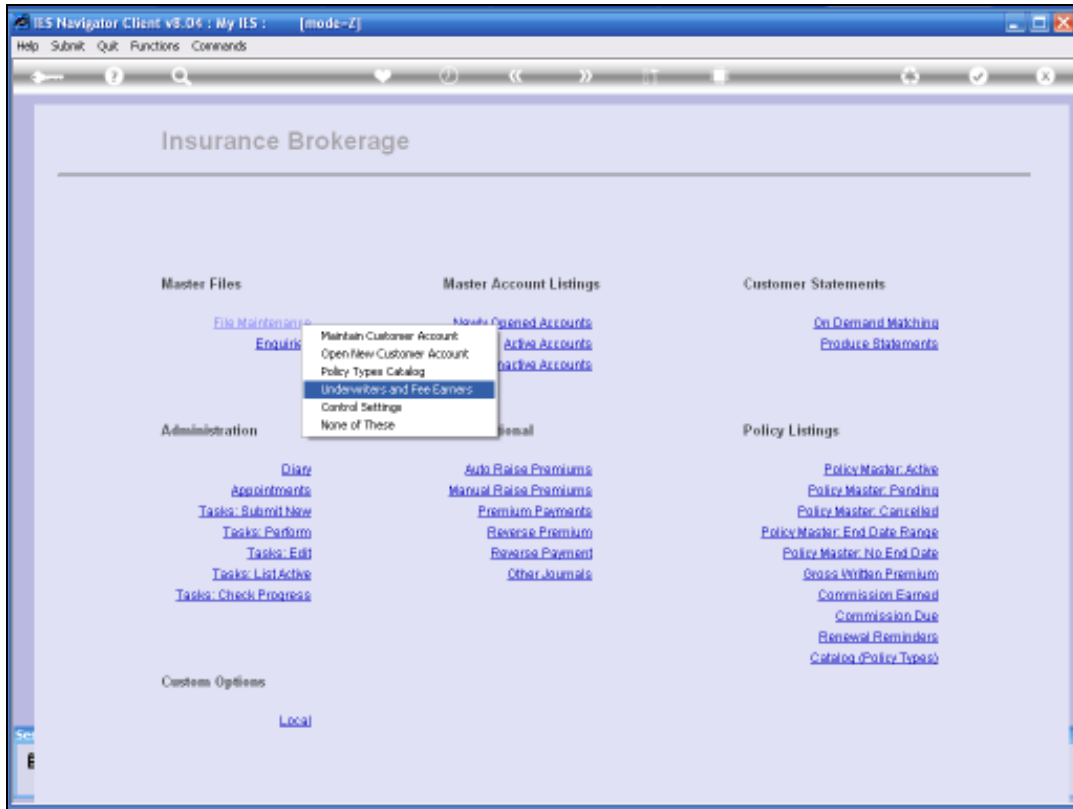


Slide 27

Now let us go and have a look at the Accounts for the Insurers and the Fee Earners.



Slide 28



Slide 29

The screenshot shows a software window titled 'IES Navigator Client vs.04: My IIS [mode-Z]'. The main content area is titled 'Underwriters and Fee Earners'. It contains two tables. The first table lists underwriters, and the second table lists fee earners. Both tables have columns for Name, AP Account, Currency, and Code. Below the first table is a toolbar with buttons: 'New', 'Print', 'Add', 'View', 'Edit', and 'Delete'.

Underwriter	AP Account	Currency	Code
1 Ist National	00017 Ist National Insurance	LOCAL R	0013
2 Ist National	00018 Ist National Insurance	USD	0014

Fee Earner Name	AP Account	Currency	Code
1 Klaus Donohoe	00019 Klaus Donohoe	LOCAL R	0006

Slide 30

This is where the System will look to find the appropriate Account to use for the Insurer and also for the Fee Earner when it works with our Policies Premiums.

So for the Insurer it is going to look for an A P Creditor Account in the same Currency as the Policy and for the fee Earner it is going to look for an Account in the same Currency and if it does not find it, then it will look for the Account in the Local Currency. Because on the Fee Earner's side, a Local Currency Account can suffice to deal with all Policies in all Currencies.

The screenshot shows a software window titled 'IES Navigator Client vs.04 : My IIS : [mode-Z]'. The window contains a table titled 'Underwriters and Fee Earners'. Below the title are two data tables. The first table lists underwriters, and the second table lists fee earners. Both tables have columns for ID, Name, AP Account, Currency, and Code. Below the first table is a toolbar with buttons: 'New', 'Print', 'Add', 'Insert', 'Delete', and 'Quit'.

Underwriter	AP Account	Currency	Code
1 Ist National	000017 Ist National Insurance	LOCAL R	0013
2 Ist National	000018 Ist National Insurance	USD	0014

New Print Add Insert Delete Quit

Fee Earner Name	AP Account	Currency	Code
1 Klaus Donohoe	000019 Klaus Donohoe	LOCAL R	0006

Slide 31

The screenshot shows a software window titled 'IES Navigator Client v8.04 : My IIS : [mode-Z]'. The main content area is titled 'Underwriters and Fee Earners'. It contains two tables. The first table, 'Underwriters', has columns for Underwriter, AP Account, Currency, and Code. It lists two entries for '1st National'. The second table, 'Fee Earners', has columns for Fee Earner Name, AP Account, Currency, and Code, listing one entry for 'Klaus Donohoe'. Both tables have a toolbar below them with buttons for 'New', 'Print', 'Add', 'View', 'Edit', and 'Delete'.

Underwriter	AP Account	Currency	Code
1 1st National	00017 1st National Insurance	LOCAL R	0013
2 1st National	00018 1st National Insurance	USD	0014

Fee Earner Name	AP Account	Currency	Code
1 Klaus Donohoe	00019 Klaus Donohoe	LOCAL R	0006

Slide 32

These Creditor Accounts, like the Debtor Accounts are Flagged for Insurance, but other than that, they are normal Standard Creditor Accounts and they can be transacted other than by Premium with any Standard Journals.

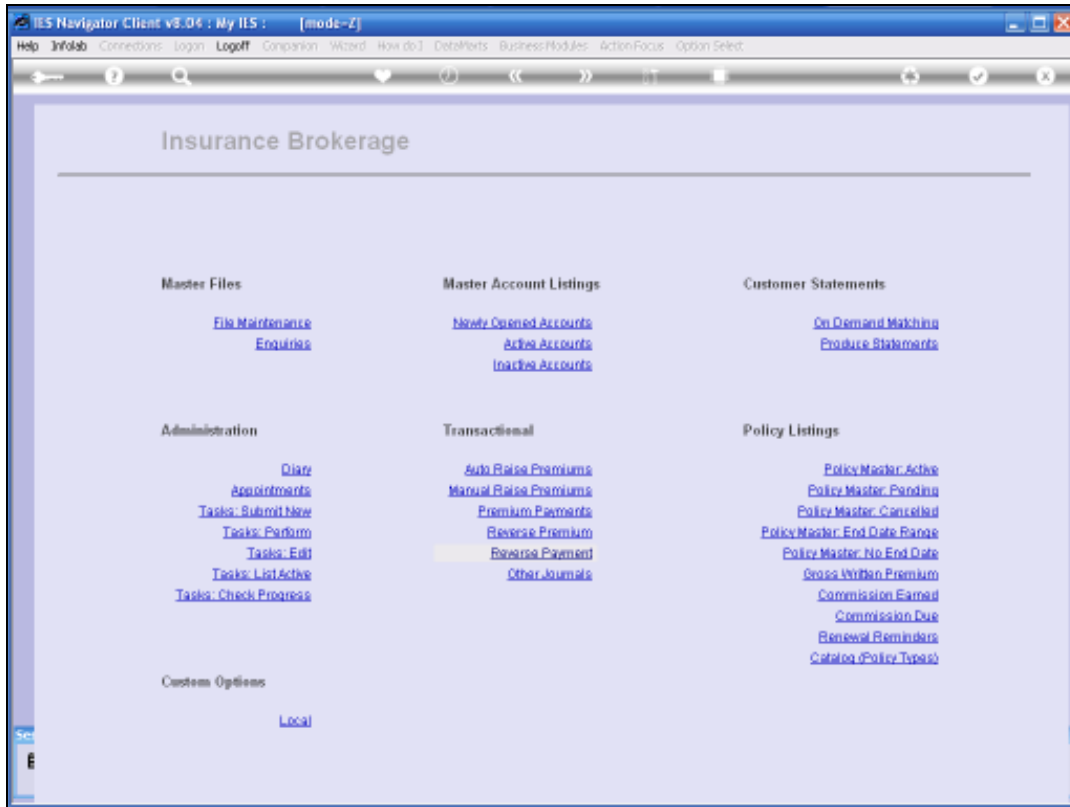
So the Premium Processing will create Payments Entries on these Accounts for the Insurers and also for the Fee Earners. But we can apply any other charges or Debits or Payments to these Accounts that we want to, except for the Premiums, because that is done automatically.

The screenshot shows a software window titled 'IES Navigator Client vs.04 : My IIS : [mode-Z]'. The window contains a table titled 'Underwriters and Fee Earners'. The table is divided into two sections: 'Underwriter' and 'Fee Earner Name'. Each section has a table with columns for 'AP Account', 'Currency', and 'Code'. The 'Underwriter' section lists two entries for '1st National' with AP accounts C00017 and C00018. The 'Fee Earner Name' section lists one entry for 'Klaus Donohoe' with AP account C00019. The interface includes a menu bar (Help, Submit, Quit, Functions, Commands), a toolbar with navigation icons, and a status bar at the bottom with keyboard shortcuts (Esc, F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12, Del).

Underwriter	AP Account	Currency	Code
1 1st National	C00017 1st National Insurance	LOCAL R	0013
2 1st National	C00018 1st National Insurance	USD	0014

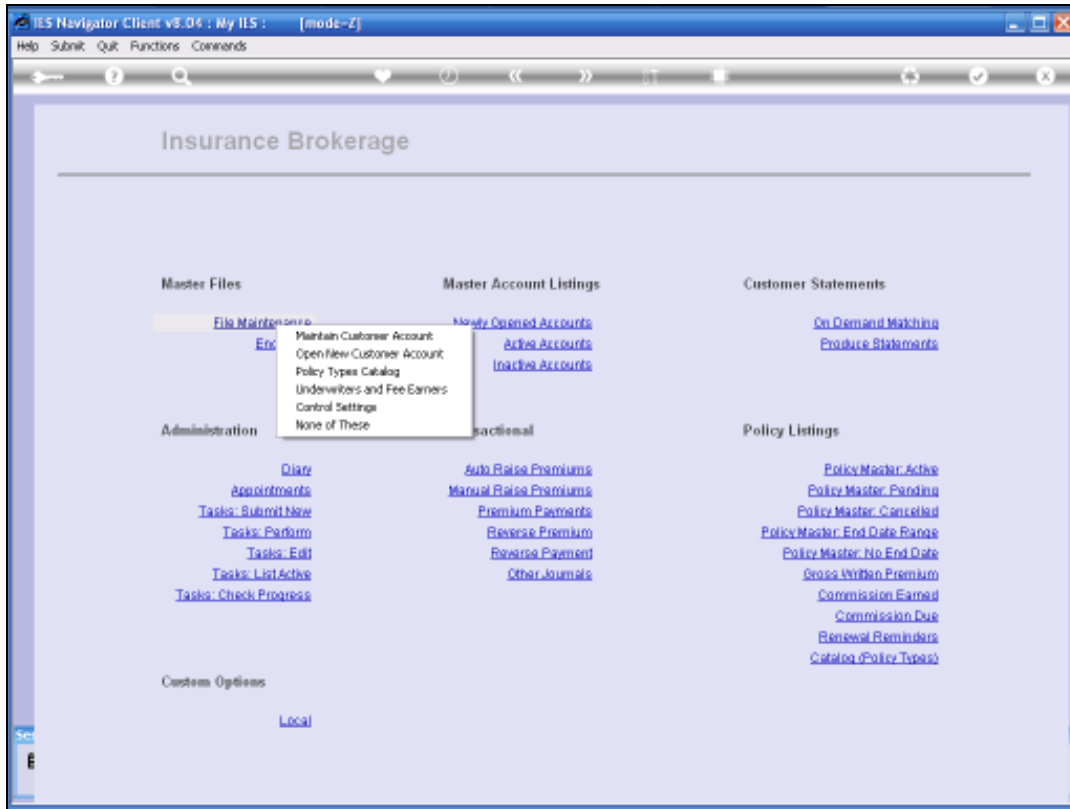
Fee Earner Name	AP Account	Currency	Code
1 Klaus Donohoe	C00019 Klaus Donohoe	LOCAL R	0006

Slide 33

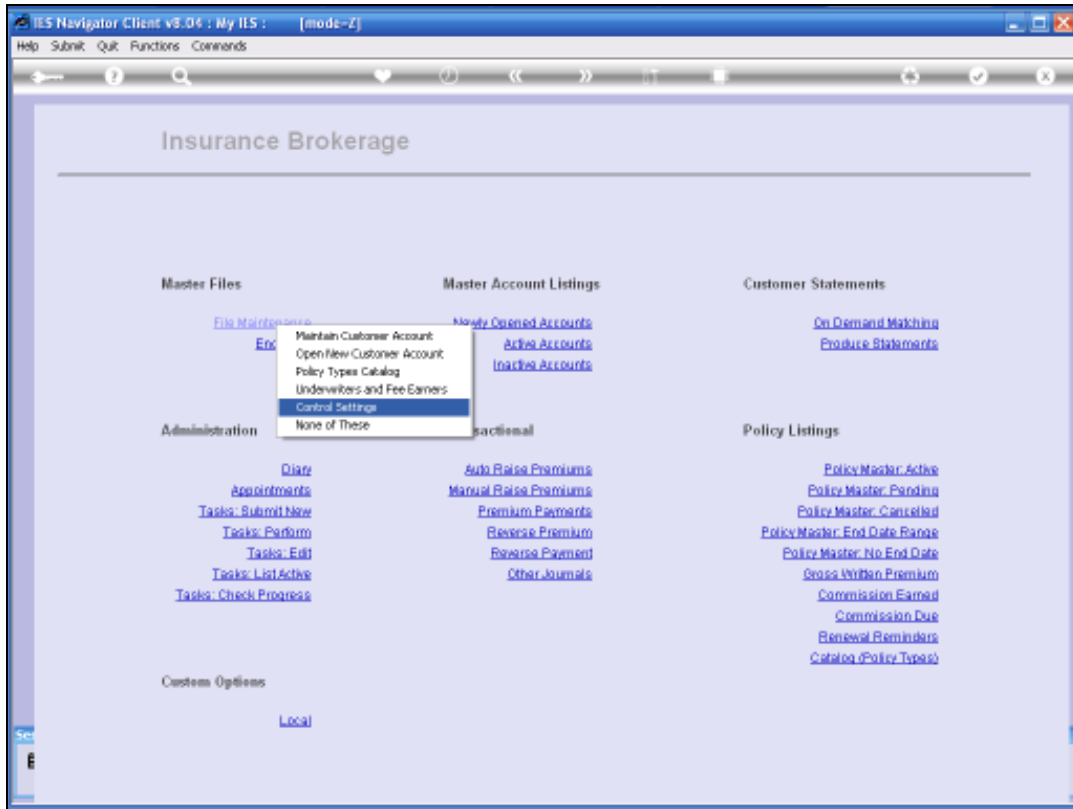


Slide 34

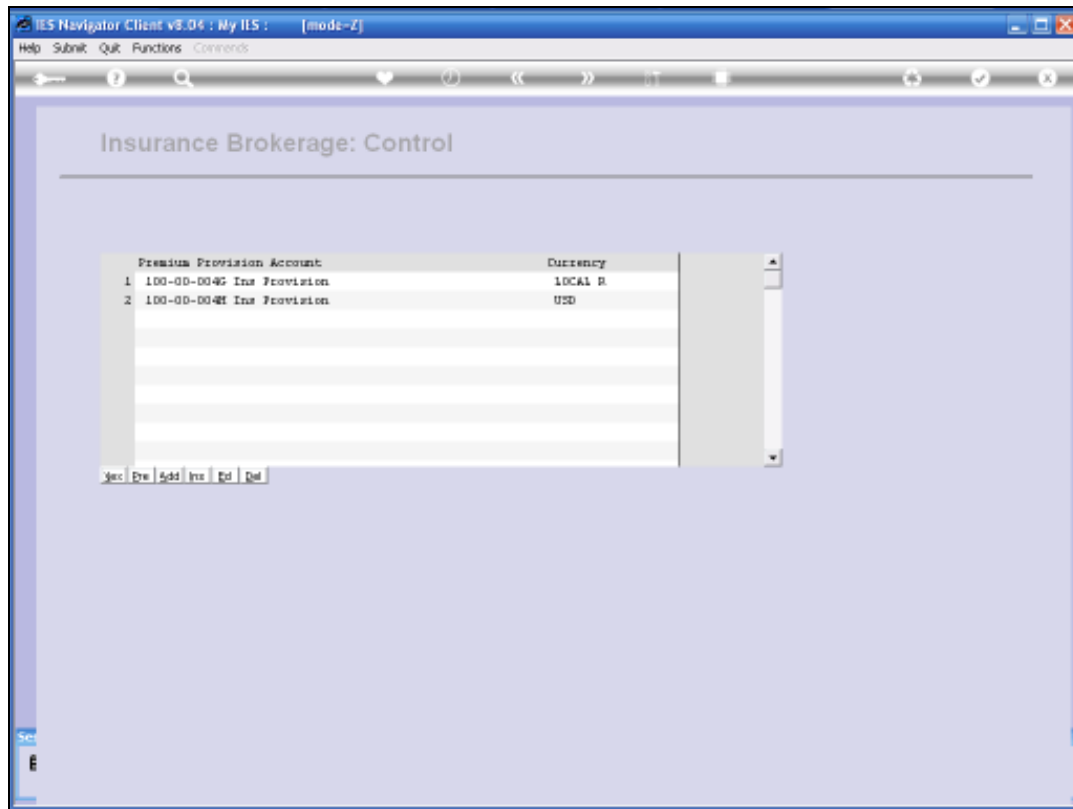
Next we look at the Insurance Provision Accounts, which act as the Sales Accounts when we charge Premium to the Customer Accounts. Then the Provision Accounts are Credited.



Slide 35

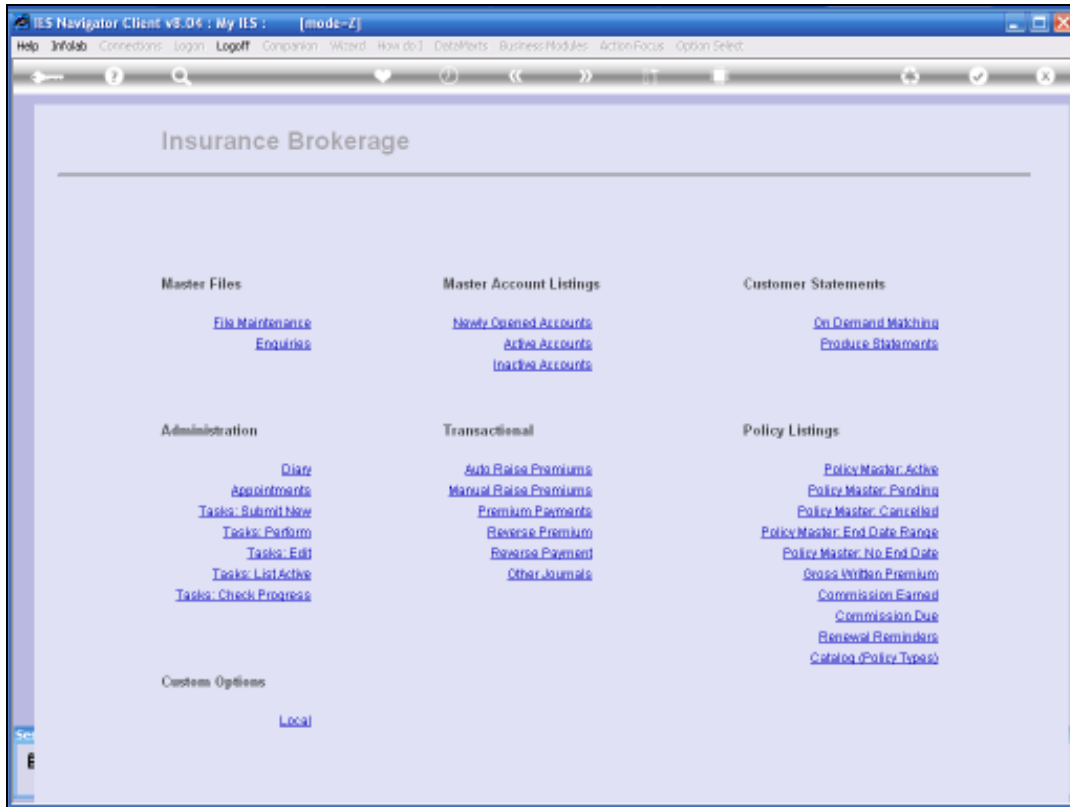


Slide 36



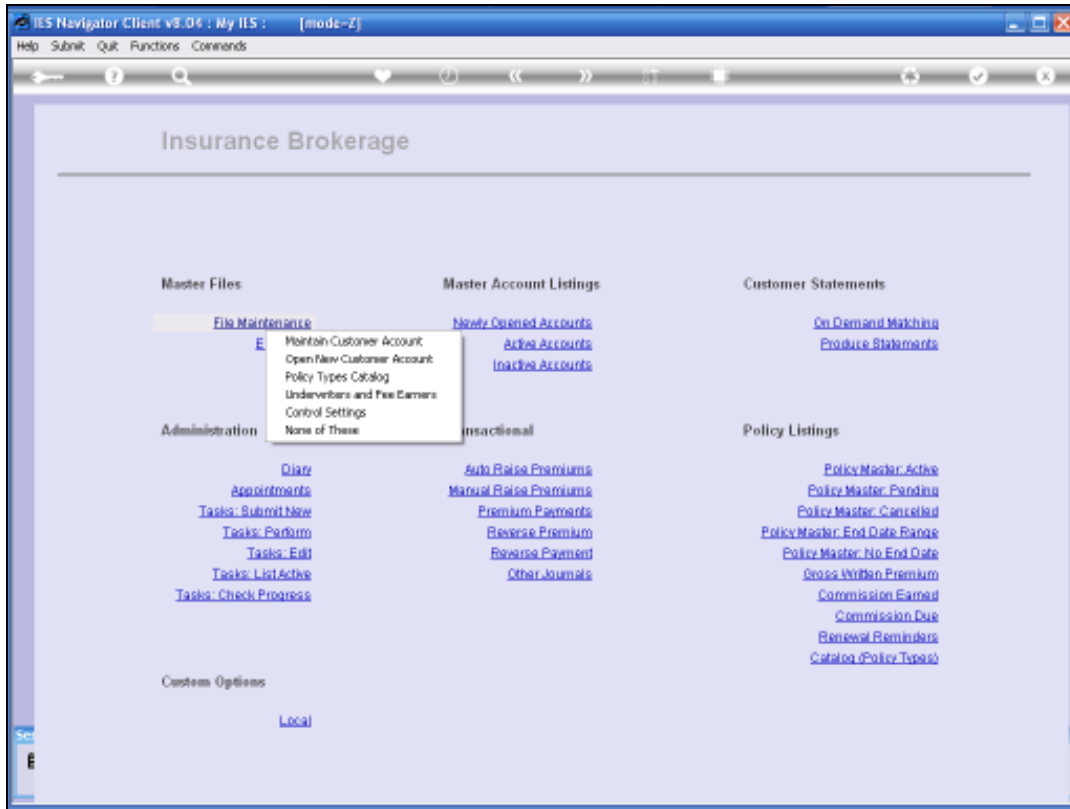
Slide 37

When the System Processes the Raising of a Premium, on a Policy, then it looks here for a Provision Account in the same Currency as the Policy. When there is Tax involved on the Premium, then the Insurance Provision Account is in the 1st instance Credited with the Premium that the Customer Account is being charged with and then it is Debited with the Tax.

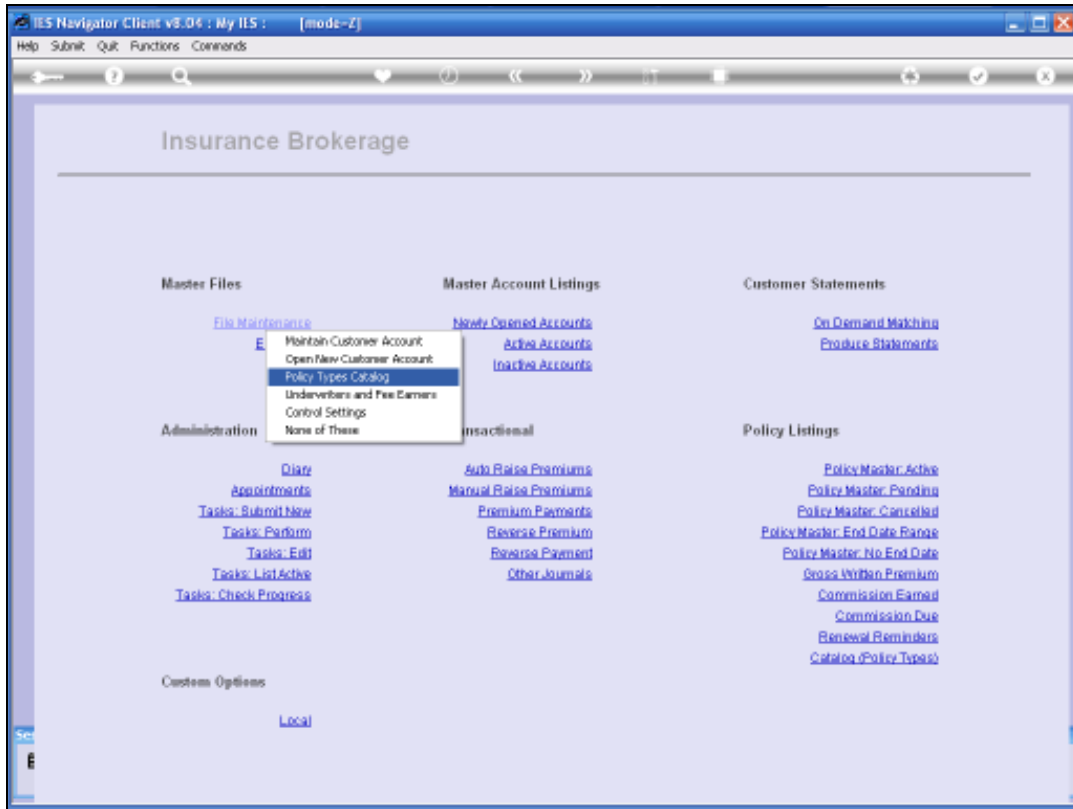


Slide 38

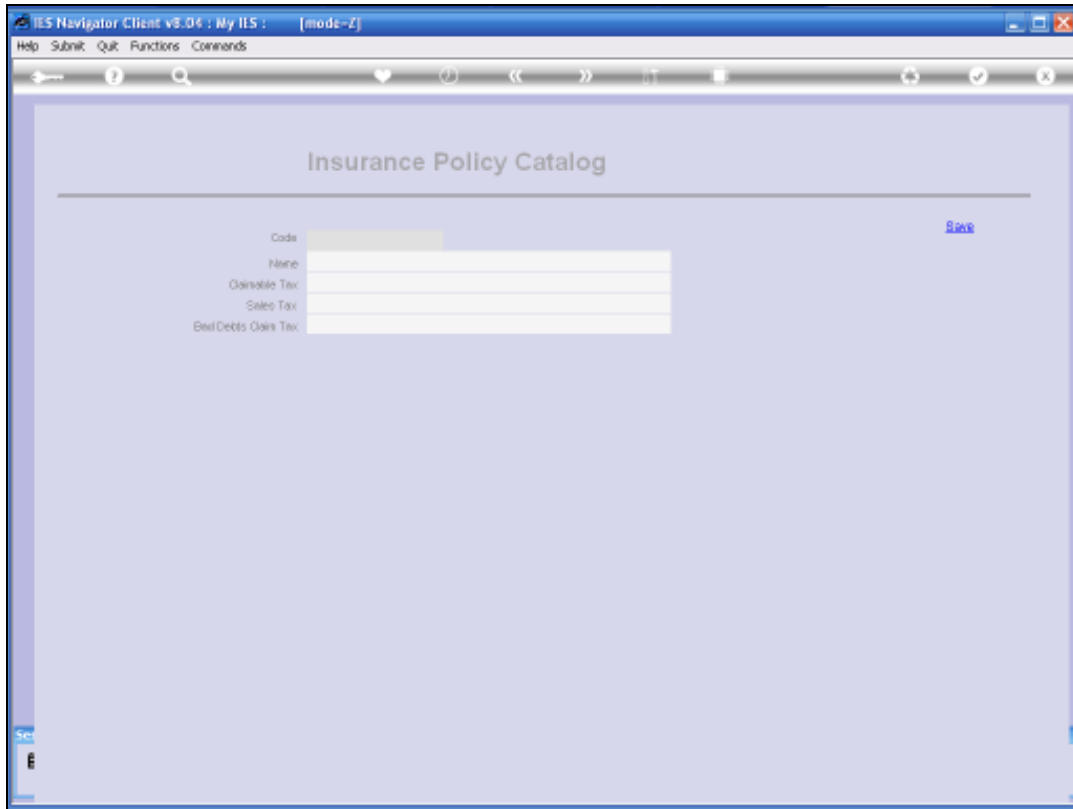
Next we look at the Policy Types Master.



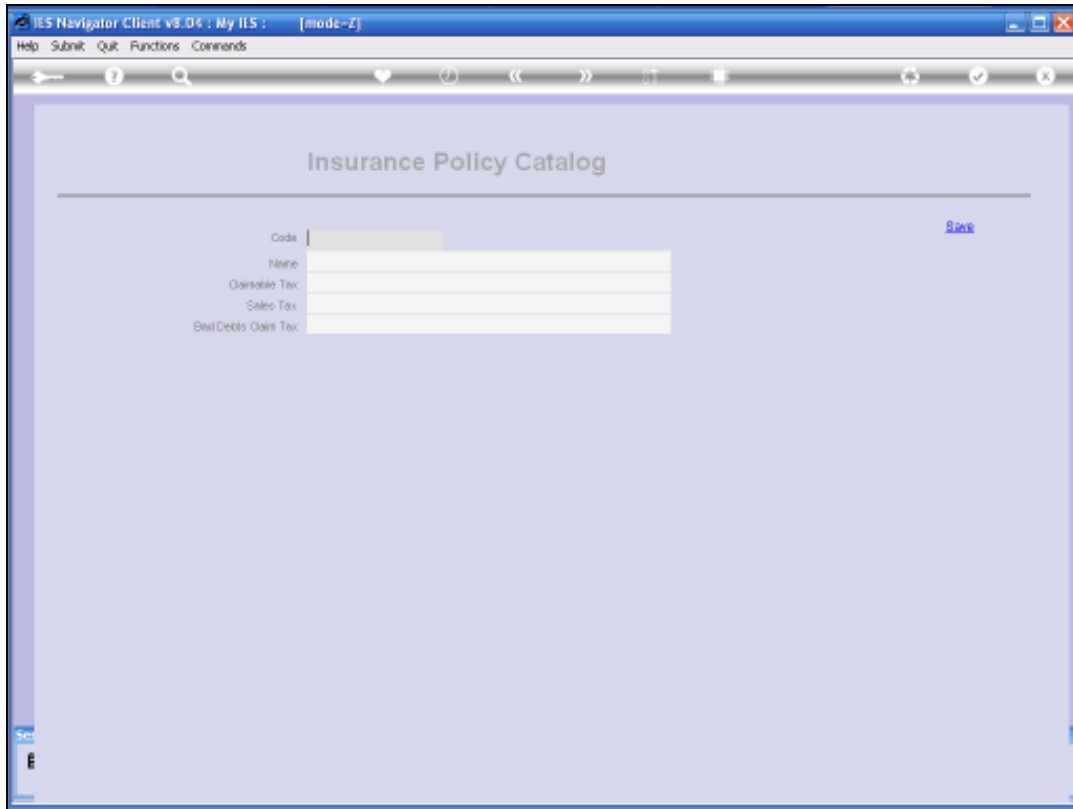
Slide 39



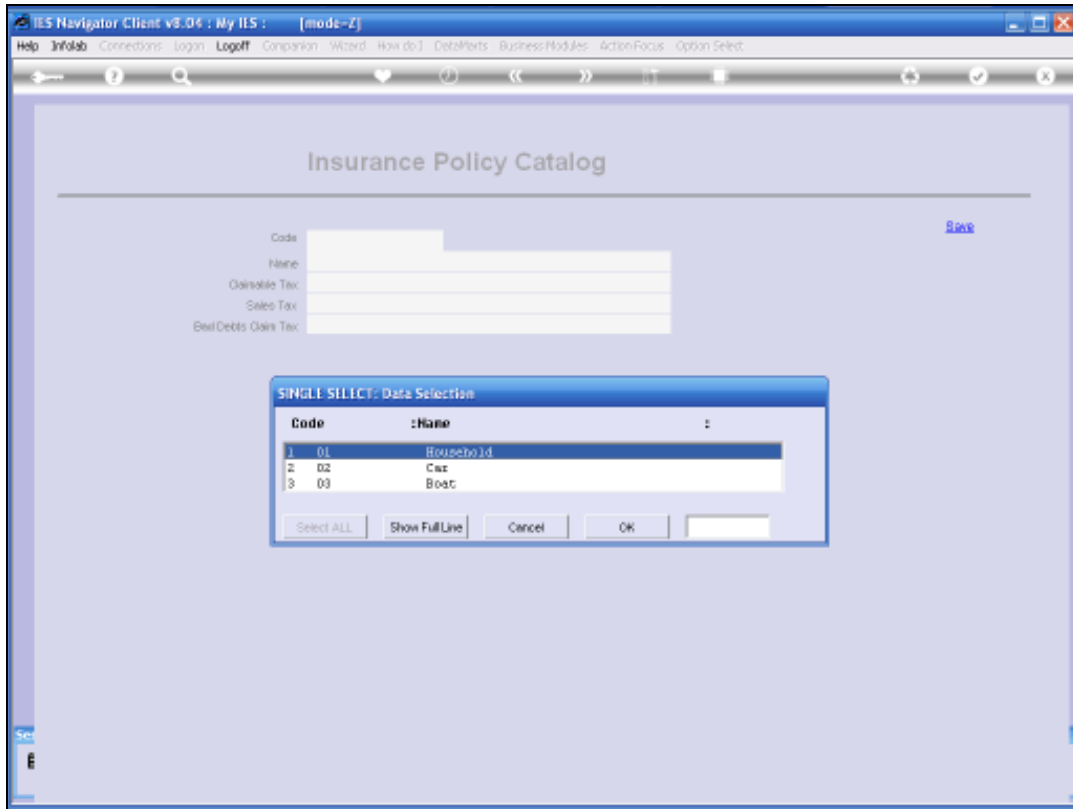
Slide 40



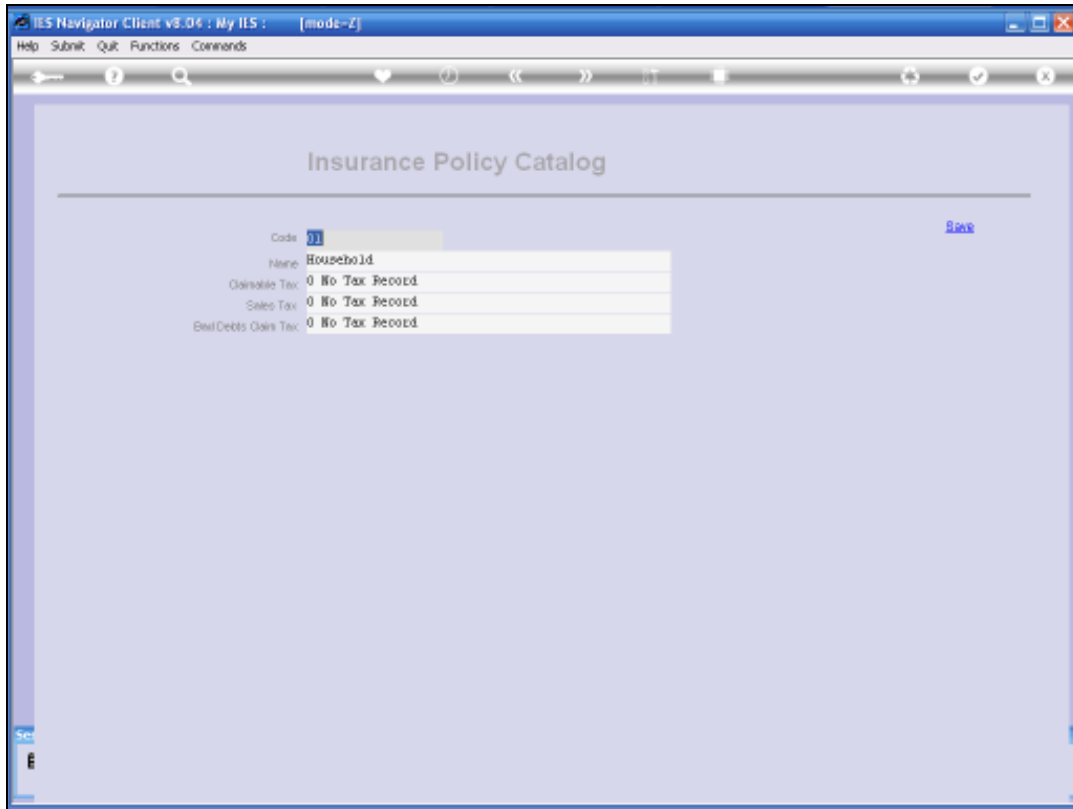
Slide 41



Slide 42

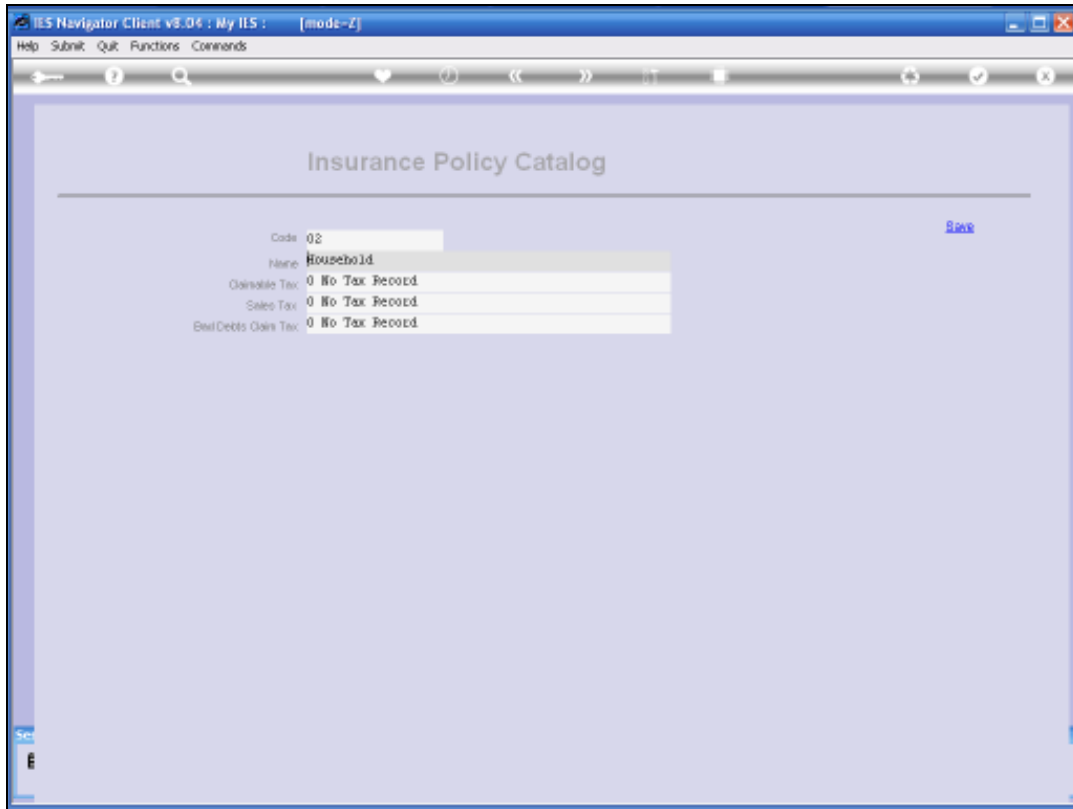


Slide 43

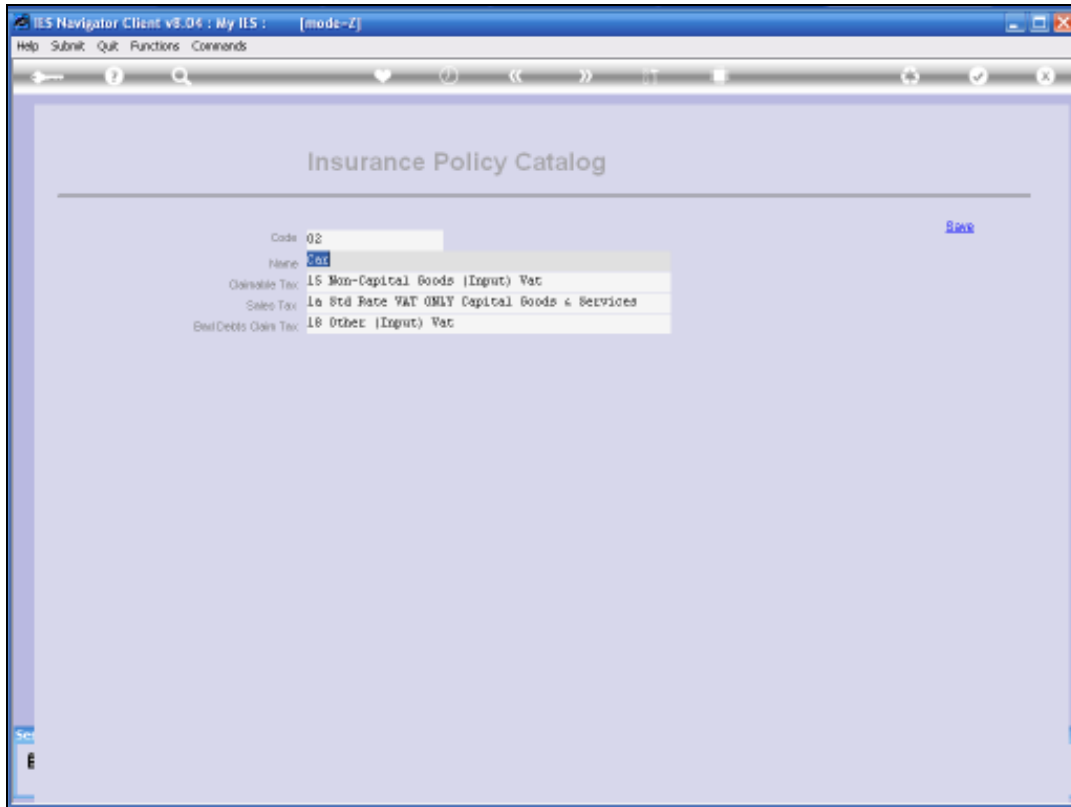


Slide 44

On this particular Policy type we have indication that there is no Tax Processing.



Slide 45

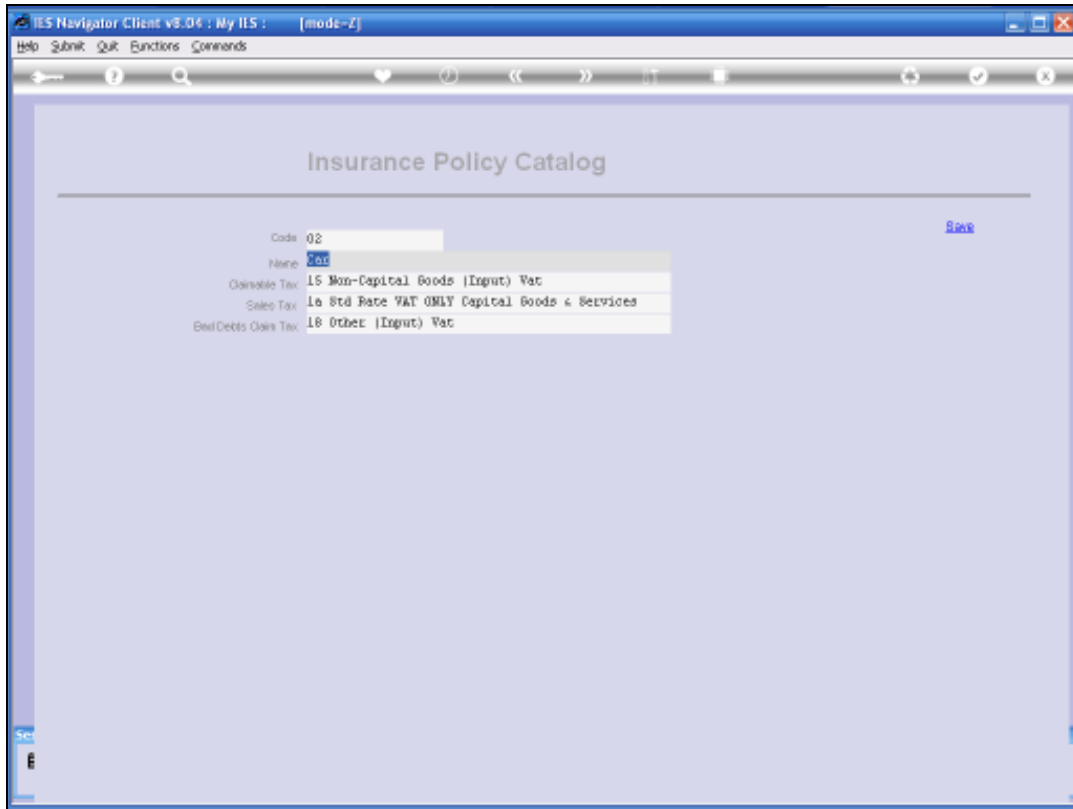


Slide 46

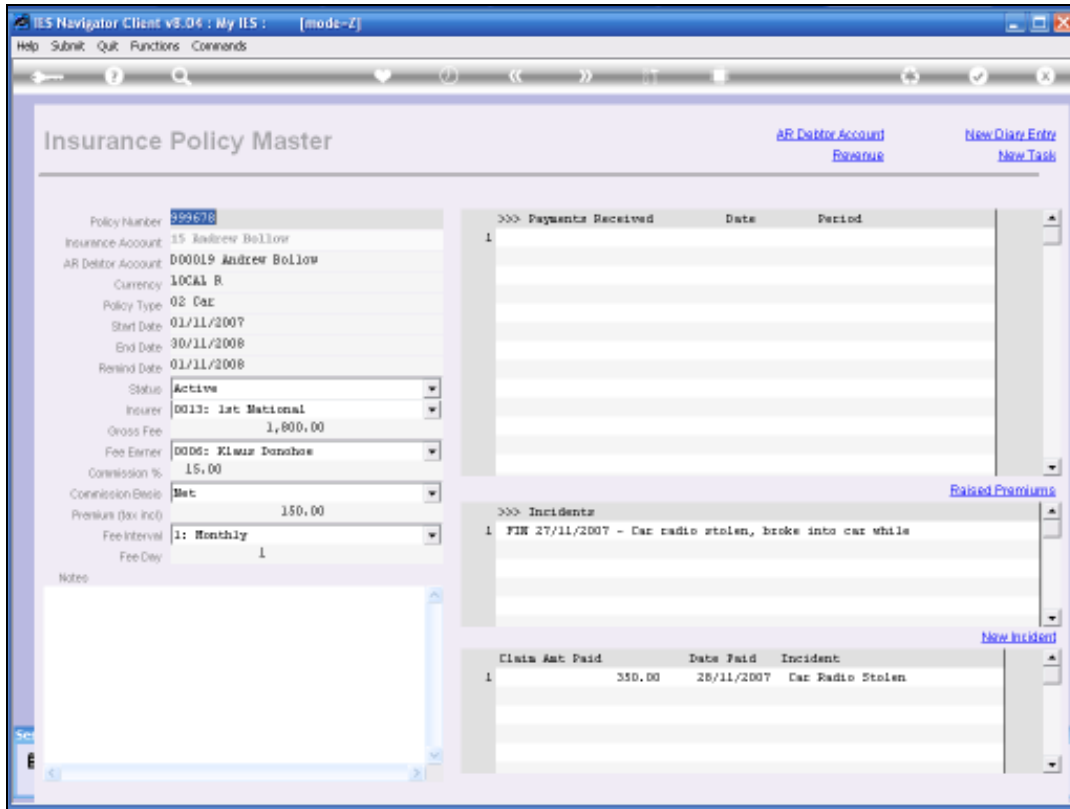
On the other hand, in this example for the Car Policy, we do have Tax Processing.

So we have Sales Tax that is collected when we charge Premium, and when we Process Collection of Premium.

Then we can claim back certain Tax as well.



Slide 47



Slide 48

Next we look at a Policy and we are going to look at a raised Premium and see what has happened in the Transactions in the Accounting System when Premium was raised.

IES Navigator Client v8.04 : My IIS : [mode-Z]

Help Submit Quit Functions Commands

Raised Premiums

Account: 15 Andrew Bellow
System Ref: 19
Policy Number: 999678 [SR Debtor Account](#)

DB-click Transaction to edit, or any other column to remove / reverse this premium

>>>	Month	Period	Day	Currency	Amount	Paid	Transaction
1	200712	03 [Dec 2007]		1 LOCAL R	150.00	YES	1457077632A
2	200711	02 [Nov 2007]		1 LOCAL R	150.00	YES	1457041201K

Yes No

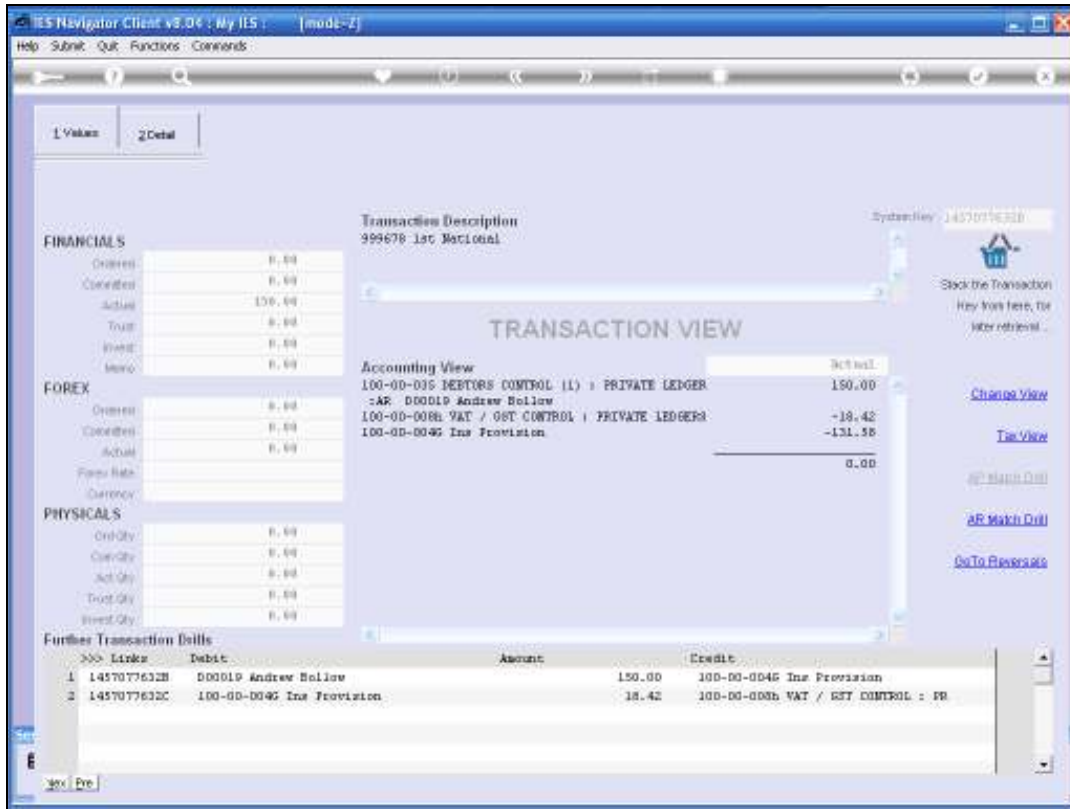
Slide 49

Account: 15 Andrew Bellow
System Ref: 19
Policy Number: 999678 [SR Debtor Account](#)

DB-click Transaction to edit, or any other column to remove / reverse this premium...

>>>	Month	Period	Day	Currency	Amount	Paid	Transaction
1	200712	03 [Dec 2007]		1 LOCAL R	150.00	YES	1457077632A
2	200711	02 [Nov 2007]		1 LOCAL R	150.00	YES	1457041201K

Slide 50



Slide 51

Here we can see that when this Premium was raised, then the A R Debtor Account for Andrew Bollow was Debited or charged with \$150. At the same time the Insurance Provision Account was Credited with that amount but also Debited with Tax on this Premium, which then effectively reduces the amount, that the Insurance Provision Account was Credited with.

Transaction Description
999678 1st National

System View: 145707632B

TRANSACTION VIEW

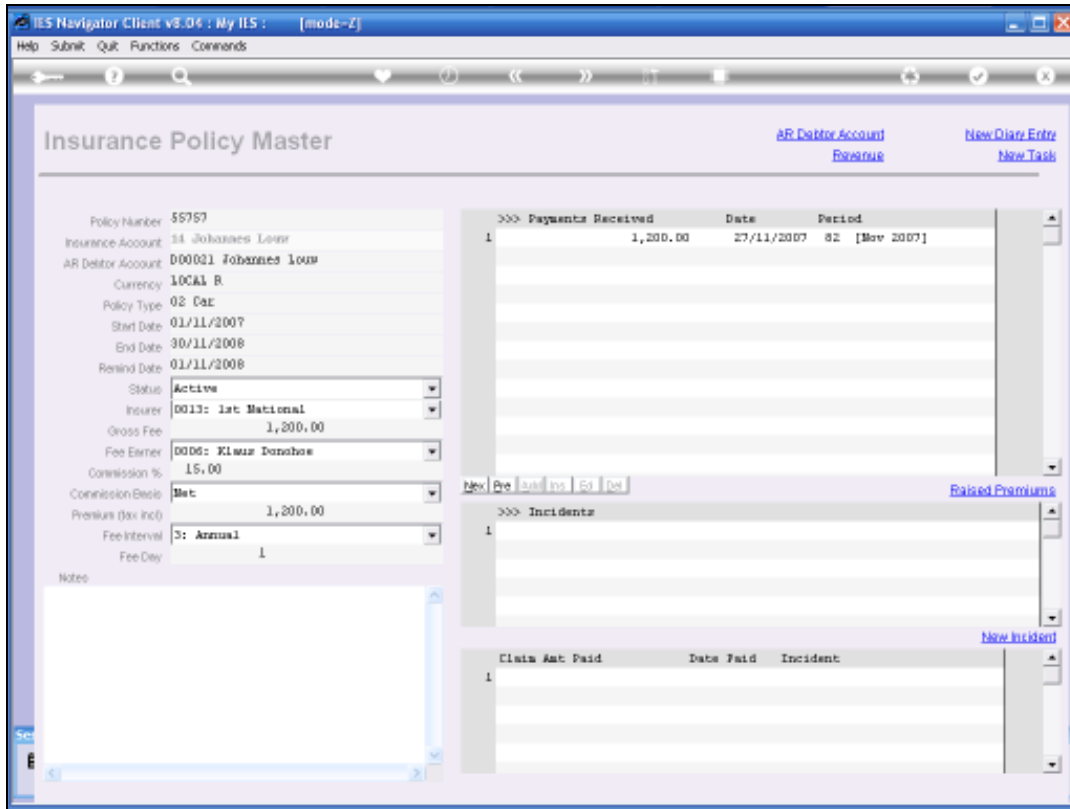
Accounting View

	Actual
100-00-035 DEBTORS CONTROL (L) : PRIVATE LEDGER	150.00
-AR: 000019 Andrew Hollow	
100-00-008b VAT / GST CONTROL : PRIVATE LEDGER	-18.42
100-00-004G Ins Provision	-131.58
	<hr/>
	0.00

Further Transaction Bills

>>> Link	Debit	Amount	Credit
1 145707632B 000019 Andrew Hollow		150.00	100-00-004G Ins Provision
2 145707632C 100-00-004G Ins Provision		18.42	100-00-008b VAT / GST CONTROL : PR

Slide 52



Slide 53

Next we are going to look at the Transaction Processing for a Premium Collection by drilling into this Payment example.

IES Navigator Client v8.04 : My IES : [mode-Z]

Help Submit Quit Functions Comments

1 Values 2 Detail

Transaction Description
55757 1st National

System View: 145761727F

Stack the Transaction
Key: Press here, for
further details...

[Change View](#)

[Tab View](#)

[Go To Report Drill](#)

[Go To Reverse](#)

FINANCIALS

Ordered	0.00
Cancelled	0.00
Actual	1,099.40
Trust	0.00
Invest	0.00
Netto	0.00

FOREX

Ordered	0.00
Cancelled	0.00
Actual	0.00
Fixed Rate	
Guarantee	

PHYSICALS

Ord Qty	0.00
Can Qty	0.00
Act Qty	0.00
Trust Qty	0.00
Invest Qty	0.00

Accounting View

	Actual
100-00-015 BANK : PRIVATE LEDGERS	1,200.00
100-00-004G Ins Provision	1,072.02
100-00-0084 VAT / GST CONTROL : PRIVATE LEDGERS	127.98
100-00-040 CREDITORS CONTROL (1) : PRIVATE LEDGERS	-157.89
AP - C00019 Klaus Donohoe	
100-00-040 CREDITORS CONTROL (1) : PRIVATE LEDGERS	-1,042.11
AP - C00017 1st National Insurance	
100-00-035 DEBTORS CONTROL (1) : PRIVATE LEDGER	-1,200.00
AP - D00021 Johannes Looz	
	0.00

Further Transaction Bills

Linker	Debit	Amount	Credit
1 145761727A	100-00-004G Ins Provision	1,042.11	C00017 1st National Insurance
2 145761727B	100-00-0084 VAT / GST CONTROL : FR	127.98	100-00-004G Ins Provision
3 145761727E	100-00-004G Ins Provision	157.89	C00019 Klaus Donohoe
4 145761727F	100-00-015 BANK : PRIVATE LEDGERS	1,200.00	D00021 Johannes Looz

Max De

Slide 54

Transaction Description
35757 1st National

System View: 145761727F

Stack the Transaction
Key: Press here, for
further details...

[Change View](#)
[Tab View](#)
[AP Match Drill](#)
[Go To Payments](#)

Accounting View

	Actual
100-00-015 BANK : PRIVATE LEDGERS	1,200.00
100-00-004G Ins Provision	1,072.02
100-00-0084 VAT / GST CONTROL : PRIVATE LEDGERS	127.98
100-00-040 CREDITORS CONTROL (1) : PRIVATE LEDGERS	-157.89
AP : C00019 Klaus Donohue	
100-00-040 CREDITORS CONTROL (1) : PRIVATE LEDGERS	-1,042.11
AP : C00017 1st National Insurance	
100-00-035 DEBITORS CONTROL (1) : PRIVATE LEDGER	-1,200.00
AP : D00021 Johannes Louw	
	0.00

Further Transaction Bills

>>> Link#	Debit	Amount	Credit
1 145761727A	100-00-004G Ins Provision	1,042.11	C00017 1st National Insurance
2 145761727B	100-00-0084 VAT / GST CONTROL : PR	127.98	100-00-004G Ins Provision
3 145761727E	100-00-004G Ins Provision	157.89	C00019 Klaus Donohue
4 145761727F	100-00-015 BANK : PRIVATE LEDGERS	1,200.00	D00021 Johannes Louw

Slide 55

This is more involved than the Raising of a Premium because we have quite a few transactions, Debits and Credits here.

In the 1st instance the Receipts Account is Debited with the full Premium collected. In this case \$1200.

Then the Insurance Provision Account is debited with that amount, but Credited with the Tax that is being claimed back.

Then we see at the bottom that the Customer Account is being Credited with the full amount of \$1200, whereas the two Creditors Accounts, one for the Insurer and one for the Fee Earner, are respectively Credited with the portions of the Premium collected.

The \$157.89 is the Fee Earners portion and the remainder is that of the Insurer.

So these are effectively the Payment entries being created on these Creditor Accounts.