

SmartOffice[®]

User Guide

PRODUCT OVERVIEW



SmartCommissions Rate File Quick Start Guide



SmartOffice v6.6, Revised: 03-10-09

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Introduction to the Rate File

Access to the commission rate file is available to all users of the SmartPolicies module. The rate file is offered as a data repository only and is not available for the purposes of automated calculations without a SmartCommissions license.

Any data that is entered into the rate file will be made available to all users who have the Commission Rate Entry role regardless of the content provided. With this in mind, enter data into the rate file that is common knowledge for all of the users that you intend to provide access to. The house, supervisor or advisor role of the rate file will not provide any security restrictions for the purposes of rate viewing.

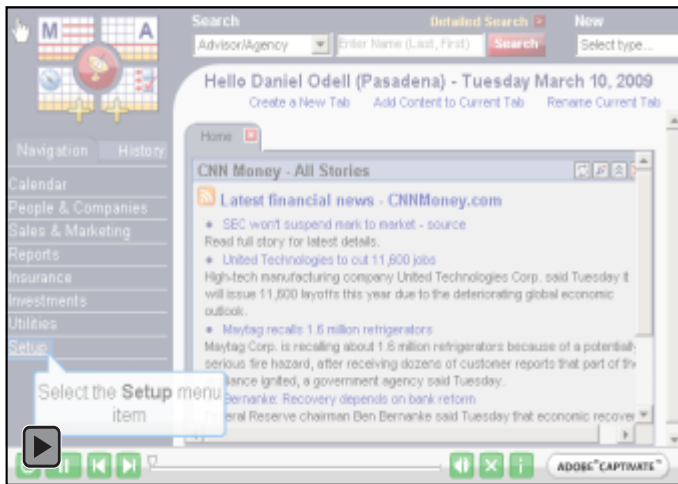
Security Required

The systems administrator can enable the Commission Rate Entry role in the user's profile. Only users with this Commission Rate Entry role turned on will have access to the rate file.

Watch the instructional movie in the *Show Me – Security Required* section or skip to the *Follow the Steps – Security Required* section if you prefer to follow written steps.

Show Me – Security Required

Click the movie image to play the movie. The movie can then be displayed in full screen mode by right-clicking the movie and then selecting **Full Screen Multimedia**; or, select **View in Floating Window** and drag the bottom right-hand corner of the floating movie to the size that you prefer.



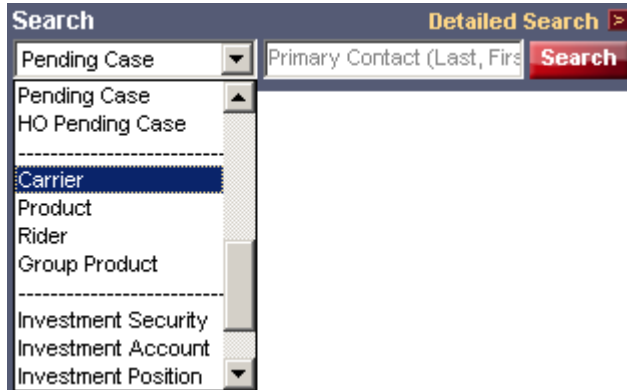
Follow the Steps – Security Required

1. Select **User Accounts** from the expanded **Setup** menu to open the Search Users dialog box.
2. Enter the appropriate user name and then click the **Search** button to display the User Accounts Detail content link.
3. Select the **User Rights** content link.
4. In the SmartPolicies section of the Licenses column, select the **Commission Rate Entry** option.
5. If access through the Contract tab of the advisor is required, select the **Advisor Contract/License Management** option also located in the SmartPolicies section.
6. Click the **Save** button.

Access Points for Rate File Data

Carrier

1. Select **Carrier** from the expanded Search section drop-down list and then click the **Search** button.



2. From the Carriers List, select the appropriate carrier then click the **Products** (or **Group Products**) tab.
3. From the Products List, click the **Menu** button and then select the **Show Commission Rate** option from the expanded **Advanced Options** menu.

Note: Drag-and-drop the **Show Commission Rate** button to the Button Bar for easy access.

Column Customization Note: To achieve the most benefit of this view, add the ALL RATES field from the Commission Rate table to all users' views. Make the width of the field 400 for best viewing.

Advisor

1. Select **Advisor/Agency** from the expanded Search section drop-down list, enter the name of the Advisor/Agency and then click the **Search** button.
2. From the Advisor & Agency List, select the appropriate record and then click the **Cont./Appt.** content link.
3. Select the record to view rates for in the Contract List section and then click the **Options** menu hyperlink.
4. From the expanded Options menu, select **Related Commission Rate** from the expanded Advanced Options menu.

Note: Drag-and-drop the **Related Commission Rate** button to the Button Bar for easy access.

Column Customization Note: To achieve the most benefit of this view, add the ALL RATES field from the Commission Rate table to all users' views. Make the width of the field 400 for best viewing.

Case

There is no direct link to the commission rates for the advisors listed on the case. However, the commission rate file can be accessed from the side menu once the contract, carrier and product have been identified from the pending case or policy record.

1. Select **Commission Rates** from the expanded **Insurance** menu to open the Search Commission Rates dialog box.
2. Click the **Search** button without entering any search criteria to display the complete Commission Rate List; or, specify the contract, carrier and/or product and then click the **Search** button to view the associated rate.

Reporting

With the Commission Rate file role turned on, the user has access to the Rate File reporting category. This enables full rate schedules to be generated through Dynamic Reports on demand.

The report category is called **All Commission Rates** and is found in the **Commission** report family.

See the *Field Definitions* section for details regarding the field descriptions.

Establishing the Rate File Data

For use of the rate file, it is assumed that carriers and products are already available in SmartOffice. A third component called the contract must be available for the process of adding rates. During the workflow defined here, the user will be prompted to search for a contract and if one is not found, to add one. See the [SmartPolicies](#) and [SmartCaseManager](#) user guides for further information on adding carriers, products and contracts.

Adding New Rates

1. Select **Commission Rates** from the expanded **Insurance** menu to open the Search Commission Rates dialog box.
2. Click the **Search** button to display the Commission Rate List and view the rates that are already established in SmartOffice.

Note: Alternate searches can be performed by carrier, product and contract to narrow the search results when applicable.

3. Click the **New ‘Commission Rate Information’ record** button to display the New – Commission Rate Detail content link.
4. Click the **Contract Name** hyperlink to open the Search Contracts dialog box.
 - a. Click the **Carrier Name** hyperlink to open the Search Carriers dialog box in order to search for and select the carrier to populate rates for.
 - b. Click the **Search** button.
 - c. If the contract you are looking for is not found, click the **New ‘Contract’ record** button to add one.
 - d. See the *Contract Definition* section of this guide for detailed definitions of each contract field.
5. Click the **Carrier Name** hyperlink (if not already entered by the selection of the contract) to open the Search Carriers dialog box.
 - a. Click the **Search** button to display the Carrier List.
 - b. Select the appropriate carrier hyperlink.
6. Click the **Product Name** hyperlink to select the product.
7. In the Commission Bands section, click the **New ‘Commission Rate Bands’ record** button to open the Commission Banding Information dialog box.

8. Enter the commission banding information. See complete field descriptions in the *Field Definitions* section.

Note: Typically, the Effective Date must be changed to an earlier date than the date the rate is entered.

9. Click the **New Commission Rate Definition** button in the Commission Rate Details section.
10. Enter the rate details. Begin with the Through Year and then enter the rate information with the proper percentage and “percent of” information
11. Click the **OK** button and repeat steps 9 & 10 for each year range that is appropriate for this rate.
12. Click the **OK** button once all applicable years have been populated.
13. Click the **List** content link to return to the commission rates list.

Field Definitions

New - Commission Rate

List | Detail |

General Information

Contract Name *
Carrier Name
Product Name
Contract Type: Advisor
Cumulative

Paid Mode

Paid Mode: As Paid
Months Advance

Additional Information

Banding Type
Flat Amount
Rate Description

Commission Bands

Age From	Age Thru	Face From	Face Through	State	Effective Date
----------	----------	-----------	--------------	-------	----------------

General Information

- **Contract Name:** Used to define the name of the contract from the carrier. The contract is a set of defined commission rates identified during the licensing and contracting process.
- **Carrier Name & Product:** The insurance carrier selling the product defined.
- **Contract Types:**
 - **Advisor:** The advisor contract identifies rates to be paid to a writing advisor on a given policy.
 - **Supervisor:** The supervisor contract identifies any party other than the advisor or the house that will receive payment on this policy. This person will not be identified as a writing advisor on a policy but is only found in the hierarchy section of the advisor record.
 - **House:** This contract identifies the amount of commission that is paid as a gross amount to the house. The house is considered the person who is currently using SmartOffice and has received commissions from the carrier to be validated within the system.

- **Cumulative vs. Standard Rates**

Cumulative rates play a special role in commission processing. Cumulative rates are used to structure payouts based on increasing the rates paid on specific contracts in graded increments. Standard rates display the same rates that you will be paid.

The example below displays how two different payments are established based on different types. The payout is exactly the same when these payouts are applied to the same policy.

	Standard Rate	Cumulative Rate
House	100 %	100%
Manager 2	5 %	90%
Manager 1	5 %	85%
Advisor	80 %	80 %

The purpose of the cumulative rate option is to enable the commission paid to a manager to increase or decrease based on the advisor’s compensation level. In the above example, if the Advisor’s compensation dropped to 75% the Standard Rate Manager 1 would still receive 5%; however, in the Cumulative Rate option, Manager 1 would receive 10%.

- **Paid Mode and Additional Information**

The Pay Mode section identifies when the party receives payment.

- **Annual:** One payment based on the Annual Premium field (premium to be paid if the insured pays the premium on an annual mode) in the policy is generated. If the annual premium is not defined then the modal premium is used.
- **Annual First Year Only:** The same as the annual premium paid but for the first year only.
- **Annualized:** One payment based on an annualized premium paid when the first payment is received. It is assumed that the insured will pay all premiums in the first year and if not, a chargeback will occur.
- **Annualized first year only:** The same as annualized but for first year payments only.
- **As paid:** This rate is used to calculate the commission paid only when the insured is actually paid the premium.
- **As paid with months advance:** Allows a specific number of months of advance to the party being paid.

- **Banding Type:** Enables rates to be different based on premium or excess banding.
- **Flat Amount:** Enables a flat dollar amount to be paid to the party associated with this contract. This is a one-time payment that is not based on the mode of the policy.
- **Rate Description:** This simple descriptive field helps in identifying the different rates defined.

Commission Banding

The Commission Banding Information section enables rates to differ based on specific criteria. The banding can be based on age, face amount, state or date range. To add banding information, click the **New 'Commission Rate Bands' record** button.

Commission Banding Information		Commission Rate Details				
General Information Contract Name S80 Carrier Name 20th Century Life Insurance Product Name Disability Premium Waiver Contract Type Supervisor Cumulative <input type="checkbox"/>		<input type="checkbox"/> From Year <input type="checkbox"/> Throu Year <input type="checkbox"/> Base Percentag <input type="checkbox"/> Flat Extra Percentage <input type="checkbox"/> Fee Percentage				
Date Banding Effective Dt * 03/10/2009 Expiration Date						
Age Banding Age From * 0 Age Through						
Face Banding Face From 0.0000 Face Through						
State Banding State All States						
		<input type="button" value="OK"/> <input type="button" value="Cancel"/>				

Once the banding information has been established, the actual rates associated with the bands are identified.

Rates are banded based on the following criteria:

- Date Banding
- Age Banding
- Face Banding
- State Banding
- Options Banding is available in version 6.7 May 2009

Rate Details

Menu ▼

Basic Schedule Information

General Information
 Contract Name **A70**
 Carrier Name **ABC Life**
 Product Name **American Level 10**
 Contract Type **Advisor**
 Cumulative

Dates
 From Year **1**
 Through Year **1**

Commission Rate Details

Base Points	70.0000	Premium ▼
Flat Extra Points	3.0000	Premium ▼
Fee Points	3.0000	Premium ▼
Lump Sum Points	3.0000	Premium ▼
Override Points		▼
ERA Points		▼
Bonus Points		▼
Level 1 Points		▼
Level 2 Points		▼
Level 3 Points		▼
Level 4 Points		▼
Level 5 Points		▼
Excess Points	3.0000	Premium ▼
Trail Points		▼
Commission Amount(\$)		

- **From Year – Through Year** identifies the years that this rate will be paid. If it is a first year rate, the values read From Year = 1, Through Year = 1.
- **Base Points** calculate for the base commissionable premium amount on the policy.
- **Flat Extra Points** pay the rate entered based on the flat extra prem. on the case only.
- **Fee Points** pay on the commissionable policy fee identified on the case.
- **Lump Sum Points** pay based on the lump sum premium value found on the policy.
- **Override points, ERA Points, Bonus Points, Level 1 – Level 5 Points** all pay an additional amount based on the base premium paid.
- **Excess Points** pay based on any premium paid over the target amount.
- **Trail Points** pay based on trail commissions entered by the user during speed receipt entry. This type of commission payment is not projected but made available at the time that trail commission is received to pass the payment to other levels of the hierarchy.
- **Commission Amount(\$)** is a flat dollar value that is paid for each mode of payment allowed by the policy.

Special Banding – Premium Banding

Premium banding enables commission rates to change as the premium on the policy is paid. It is looked at as a rolling accumulation of premium based on the number of years used for payment of commissions.

The screenshot shows a form titled "Additional Information" with the following fields:

- Banding Type:** A dropdown menu currently set to "Premium Banding".
- Flat Amount:** An empty text input field.
- Retroactive:** A checkbox that is currently unchecked.
- Rate Description:** A larger empty text input field.

When Premium Banding is selected from the Banding Type drop-down list, the Retroactive option becomes available. Selecting the Retroactive option means that as the rate changes for the policy, either additional commission is paid going back to the first dollar ever paid or the rate is valid only for the premium moving forward.

Special Banding – Number of Members Banding (focus on Group Insurance)

Group insurance has a need to pay commissions based on the number of users in a group. As the number of members increases and decreases, the user can pay or take away commission per member.

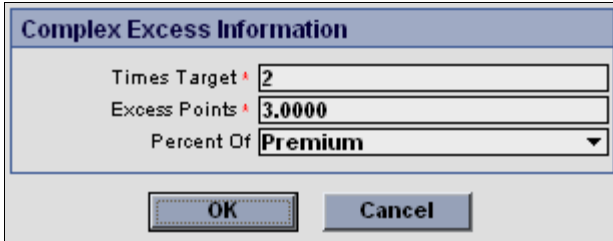
The screenshot shows a multi-section dialog box titled "Basic Schedule Information".

- General Information:** Contract Name: A70; Carrier Name: ABC Life; Product Name: American Level 10; Contract Type: Advisor; Cumulative:
- Dates:** From Year 1; Through Year 1
- Member Banded Schedule:** A table with columns "Dollar amount per person" and "Up To Members". It contains one row with a value of 30.0000 and 20 members. Below it, a second row is partially visible with a value of 25.0000 and 50 members. The table has a scrollbar and shows "Records Shown: 1" and "Total Records: 1".

Buttons for "OK" and "Cancel" are at the bottom.

Special Banding – Complex Excess Banding

The complex excess component is only displayed if Excess Banding has been selected on the original rate entry dialog box. The Complex Excess Information dialog box enables excess commission rates to be determined based on the target amount.



The image shows a dialog box titled "Complex Excess Information". It contains three input fields: "Times Target" with the value "2", "Excess Points" with the value "3.0000", and "Percent Of" with a dropdown menu set to "Premium". At the bottom of the dialog box are two buttons: "OK" and "Cancel".

Complex Excess Information	
Times Target *	2
Excess Points *	3.0000
Percent Of	Premium ▼

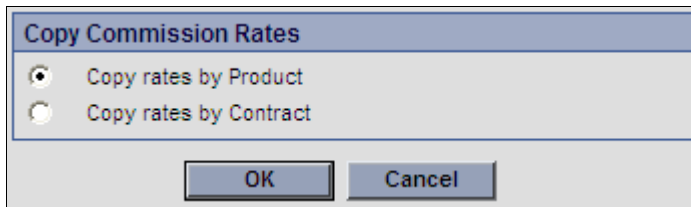
OK Cancel

Copy Rates

The rate file enables the ability to copy one set of rates to another in the following ways:

- **Copy from Product to Product:** This enables the user to copy rates from one product to another within the same contract.
- **Copy from Contract to Contract:** This enables the user to copy all rates defined for a contract into another for a specific carrier/product.

To copy a rate from the Commission Rate List, tag a rate and then select the **Copy Commission Rates** option from the expanded **Menu** list to open the Copy Commission Rates dialog box.



Product Copy

If the **Copy rates by Product** option is selected, complete the copying process using the following rules:

- If the contract being copied is carrier specific, keep the product copy within the same carrier.
- If the contract being copied is a blanket contract then any product from any carrier can be selected.

Copying Rates by Product

1. Select the source product to be used at the top, and then identify one or many products to copy the rate to. Often it is faster to copy rates then to enter all of the values from scratch. Once the rate has been copied, modifications can be made to the rate.

Select Product to Copy Rates From

Source Product:

Target Product List + | Options ▼

<input type="checkbox"/>	Carrier Name	Product Name	Remarks
<input type="checkbox"/>	ABC Life	Total Coverage	
<input type="checkbox"/>	ABC Life	American Level 20	
<input type="checkbox"/>	ABC Life	Assurable Life 3	
<input type="checkbox"/>	ABC Life	Assurable Life 5	
<input type="checkbox"/>	ABC Life	Continental Max	
<input type="checkbox"/>	ABC Life	Market Rate Life	
<input type="checkbox"/>	ABC Life	Benefit Accessory	
<input type="checkbox"/>	ABC Life	Continental Universal Plus	
<input type="checkbox"/>	ABC Life	Designer Plus Life	

Records Shown: 36 Total Records: 36

2. Once the target list has been identified, click the **Next** button to display the list of contracts that this product has rates identified for.
3. Select only those contracts (or select them all) for which the rates will be copied to the other products.

Rate Selection Information Menu ▼

Select Commission Rates which are to be copied to the target Products.

<input checked="" type="checkbox"/>	Carrier Name	Contract Name	Rate Name	Paid Mode	Paid By	Banding Type	Rate Locked	Cumul
Product Name - American Level 10								
<input checked="" type="checkbox"/>	ABC Life	A100	Rate A100 American Level 10	As Paid	Carrier		No	0
<input checked="" type="checkbox"/>	ABC Life	A70	Rate A70 American Level 10	As Paid	Carrier		No	0
<input checked="" type="checkbox"/>	ABC Life	A80	Rate A80 American Level 10	As Paid	House		No	0
<input checked="" type="checkbox"/>	ABC Life	Level 1	Rate Level 1 American Level 10	As Paid	House		No	1
<input checked="" type="checkbox"/>	ABC Life	Supervisor Level 2	Rate Supervisor Level 2 American Level 10	As Paid	House		No	1
<input checked="" type="checkbox"/>	ABC Life	Supervisor Level 3	Rate Supervisor Level 3 American Level 10	As Paid	House		No	1
<input checked="" type="checkbox"/>	ABC Life	Agency Cumulative Contract	Rate Agency Cumulative Contract American Level 10	As Paid	Carrier		No	1
Subtotal: Product Name - American Level 10 (7)								

Records Shown: 7 Total Records: 7

4. Click the **Finish** button to copy the rates.

Contract Copy

The contract copying method is similar to the product method in that a source and target is identified but it is a one to one relationship. A carrier contract should be copied to a carrier contract and a blanket contract should be copied to a blanket contract. Unexpected results will occur if a carrier contract is copied to a blanket contract and vice versa.

Select Source and Target Contracts

Copy Commission rates linked with Source Contract to Target Contract.

- *Please verify that you have chosen the Source and Target records correctly.*
- *Also verify that the source and target Contracts belong to the same **Insurance Carrier**.*

Source Contract

Target Contract

Next **Close**

Once the source and target have been identified, the user is presented with the option to select specific products defined on the source contract or to select all of them, similar to the product copy above. Select the rates that should be copied to the new contract and then click the **Next** button to complete the copying process.

Contract Definitions

New - Contract

Contract Information

Carrier Name

Contract Type **Advisor** ▼

Contract Name *

Description

Contract Status **Active** ▼

Contract Date Type **Policy Date** ▼

Commission Paid By **Carrier** ▼

Blanket Contract

OK **Cancel**

Contract Types:

- **Advisor:** The advisor contract identifies rates to be paid to a writing advisor on a given policy.
- **Supervisor:** The supervisor contract identifies any party other than the advisor or the house that will receive payment on this policy. This person will not be identified as a writing advisor on a policy but is only found in the hierarchy section of the advisor record.
- **House:** This contract identifies the amount of commission that is paid as a gross amount to the house. The house is considered the person who is currently using SmartOffice and has received commissions from the carrier to be validated within the system.

Contract Status

- **Active:** Advisors can be actively placed on this contract.
- **No New Cases:** This contract is no longer in use; however, old policies may be linked to it for historical purposes.
- **Pending:** This contract is not in use but is being established for future use.

Contract Date Type

- **Active Status Date:** The date the case was placed in force is used when determining which contract should be used for rate identification.
- **Date Entered:** The date the case was first entered into the system is used for identifying the contract to be used for rate identification.
- **Policy Date:** The date the case is effective is used when determining the contract to be used for rate identification.
- **Application Signed Date:** This date bases the projections on the date the application was signed. If this date is missing, the earliest date in the status history file will be used.

Commission Paid By

- **Paid by Carrier:** This contract is identified as being paid directly by the carrier. Projections are performed and history transactions are generated with the house part of the transaction validated.
- **Paid by House:** This contract identifies that the house (specifically the users of this SmartOffice Commission System) is responsible for the payment of this level.

Blanket vs. Carrier-specific Contracts

A contract can be established as one of two types, blanket or carrier-specific. A blanket contract can be associated with multiple carriers and is established as a default rate to cover a large number of different insurance products. Carrier-specific contracts are to be used with only a single carrier and rates are established for every product that is identified for that carrier.

To establish a blanket contract definition, check the blanket contract option when creating a new contract. This allows the carrier name to be left blank. The association of a contract with an advisor or supervisor occurs on the Contract tab on the specific party's record.

- The Contract Name and Contract No fields are mandatory. The Contract Name is the key to linking to commission rates.
- To select the contract name, click the **Contract Name** hyperlink to open the Search Contracts dialog box, click the **Search** button and then select the contract name from the Contract List.
- The effective date and expiration date can be key information fields for the user in addition to the line of business section.

How Did We Do?

Did you find this guide helpful?

Very Helpful

Helpful

Neutral

Somewhat Helpful

Not Helpful

Please let us know how we can make this guide more helpful.

Click the **Submit Form** button in the upper right corner to send your responses to E-Z Data, Inc.