# FINANCIAL SERVICES: INSURANCE PRODUCT PROFITABILITY



COGNOS PERFORMANCE BLUEPRINT IMPLEMENTATION GUIDELINE V2 A WEB-BASED PERFORMANCE MANAGEMENT APPLICATION

COGNOS INNOVATION CENTER for Performance Management™



#### Introduction

This implementation guide demonstrates a Web-based planning and reporting process for the general insurance industry, specifically focused upon the profitability of insurance products, and using Cognos 8 Planning and Cognos 8 Business Intelligence.

Despite the natural catastrophes of recent years, many insurance companies have managed to show record profits. American property and casualty insurers, for instance, made a record \$44.8 billion profit in 2005, passing much of their hurricane-related exposure to re-insurers and state and local governments.

Yet all is not well in the insurance industry. Many insurers feel that they need to exit risky business lines or geographies to ensure continued profitability. Risk-management experts predict that the catastrophes of recent years may continue for the foreseeable future, and if such events occur frequently, large insurance companies may not find it easy to escape financial disaster.

To maintain profitability in the face of escalating risks, insurance companies must be nimble enough to change course in an instant—shifting emphasis from one product to another, one region to another, one product line to another.

The problem is that historically, most insurers have not been able to change course very quickly.

The breakdown occurs in two primary areas. First, insurers have struggled to get the right data to make decisions in a timely manner. Too often, insurance executives do not trust the data they are given, or data is not presented in a user-friendly way, or data is not structured to answer the key business questions, and so on. Second, insurers have rarely been able to accurately forecast multiple business scenarios to determine the most profitable course of action. Strategic planning and forecasting have typically been annual events, often based on prior-year results plus some percentage growth—rather than on business drivers—and typically are done in isolation by each product line or business segment, not considering overall corporate impact. Despite the inefficient processes found at many insurers, driving product- and overall profitability through a coordinated, efficient process can be reality. The first step is to consolidate data, storing all relevant product revenue, claim, and expense information in an accessible place. Next is to apply appropriate reporting and analysis tools to the task of understanding as much as possible about product lines, individual products, and brands. Once these are understood more completely, an insurer can confidently assess financial impacts of proceeding with business-as-usual as opposed to implementing one or more initiatives in specific products, product lines, or brands to improve profitability.

The *Cognos Insurance Product Profitability Blueprint* enables insurers to create profit-and-loss statements and balance sheets at the product line and product levels, by brand. The Blueprint allows business analysts, product managers, and finance executives to analyze and report on profitability, and to plan initiatives to improve business results.

The *Insurance Product Profitability Blueprint* is described in detail below. The solution comprises two primary components:

- Reporting, analysis, dashboards, and scorecards using Cognos 8 Business Intelligence
- Planning and forecasting using Cognos 8 Planning

Using these components, the *Blueprint* enables product line managers, product managers, and analysts to receive product line, product, and brand information, analyze the information to determine targets, plan initiatives to drive increased profits into the chosen target, and manage and update the P&L and balance sheet at desired levels in the product hierarchy.

# Customer Segment Reports, Analysis, Dashboards, and Scorecards

The *Insurance Product Profitability Blueprint* provides a hierarchy of dashboards and reports designed to guide users through increasingly deeper levels of understanding. A business intelligence portal view of the *Blueprint* begins with a high-level picture. The portal may be tailored to view reports based upon a user's level of security and/or responsibility. The Cognos Planning Contributor application administrator may allow a user to see revenue reports for all products and brands or for a single area of responsibility, such as a specific product line, product, brand, or combination.

The portal shown below provides a great deal of information very quickly. The graph at the top left—a plot of growth in Gross Written Premiums (GWP)—allows a comparison of current forecast against last year's actuals (how we are doing against market expectations), compare it against budget (how I am doing), and against the previous forecast (whether things are getting better). The graph is viewable at any level in the hierarchy to which the user has access—from total company all the way down to a specific product.

The Revenue Composition pie graphs at the top right show how revenue is split among products and brands.

In an effort to remove a lot of the "noise" in the model, the middle graph is of Underlying Growth. Ignoring for a moment Average Premiums, Renewals, Cancellation Rates, and so on, there is a graph of Growth over the previous comparable period (PCP) for our Inforce to answer the question, "What is the customer base doing?"



The third tier of graphs on the portal provides a measure of Profitability as we graph Insurance Trading Result Margin (ITR), as well as pie charts showing ITR composition by product and brand. Reading comparable pie charts together may yield interesting knowledge (i.e. whether a product represents 20 percent of revenue, but 40 percent of profits.)

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The fourth section of the portal provides a link to open the Consolidated P&L Report.

The fifth section of the portal provides links to the Cognos 8 Contributor applications and to reports laying out the driver trees used throughout the model.

The bottom section of the portal is the Business Intelligence Navigator which allows access to other key reports that have been developed in anticipation of particular needs. Reports such as the Consolidated P&L, Balance Sheet, or a breakdown of Profit-and-Loss statement by Business as Usual (BAU) and Initiatives are but a few.



A second view is similar, but is for a single product—in this case Commercial-Fleet.

The portal is only the beginning of the rich information available within the Business Intelligence portion of the *Blueprint*.

From the top graph, Revenue Growth, users can drill down to underlying reports that add detail and depth to the revenue picture.



These reports provide additional Gross Written Premium data, like Current Forecast, Budget, and Prior Year for GWP at the total, New, and Renewal levels. Underlying Revenue Growth graphs also explore growth trends, Exposure, Average Premiums, and Retention Rates. The graphs can be tailored to meet specific needs and may drill down to underlying tables for even deeper analysis.

The portal's Profitability graph also offers drill-down capability to gain even deeper understanding of the profitability picture.



The Profitability drill-down offers even greater detail. The graph at the top of the page displays the Net Loss Ratio as it compares to other versions by year. The Total Claims ratio is itself drillable, as is shown in the next report. Further down the report are graphs for Total Expense, Acquisition Expense, and Management Expense ratios. Each graph deepens understanding of overall profitability. Drilling-down from the Total Claims Ratio graph offers a detailed breakdown of Gross and Net Loss ratios, in a comparative format, for any combination of Peril type by Brand.



Additional business intelligence reports are available through the portal's front-end and any desired report can be readily customized. Users can also access reports that allow them to "slice-and-dice" data for any particular view they might require.

## Contributor Application Overview

Performance management systems make it easy to articulate goals and to measure, track, and get feedback on performance against goals. The *Insurance Product Profitability Blueprint* anticipates that every effort is made to manage such items as Investment Income Rates, along with technical parameters like proportional RI(Re-Insurance) Rates and Recoveries, Claim Handling Expense Rates (CHE), and Prudential Margin Rates. At the product manager or product line level, managers make decisions to optimize efficiency and revenues as well as control claims and expenses. Forward-looking collaboration must occur so that product decisions are aligned with corporate expectations, and so that variances can be evaluated.

Product managers, product line managers, and brand managers need clear targets and goals, and must understand corporate expectations. Managers must be able to forecast both operational needs and profitability, and get continuous feedback on their performance against corporate targets and profitability guidelines. The *Insurance Product Profitability Blueprint* helps meet these needs.

# **Blueprint Objectives**

The Insurance Product Profitability Blueprint meets a number of objectives:

- Establishes clear and concise targets for each manager at a profit-and-loss (P&L) level.
- Establishes clear and concise targets for each product by brand.
- Calculates revenues, expenses, and claims based on adjustable historic trends for Business as Usual (BAU).
- Allows alternative revenue planning scenarios and a process for choosing the best alternative to meet needs and expectations.
- Automatically calculates the Earned Premium and Unearned Premium Reserves (UPR) for the user and the day's phasing.
- Allows users to determine the Premium Spread by product.
- Provides the ability to calculate and adjust product expenses.
- Gives users the ability to plan Current Year Claims by Peril and a choice of Methods to use in calculating the Incurred Dollar (Size & Frequency or Loss Ratio method) as well as the ability to adjust trended rates.
- Provides a balance sheet by product and brand that includes all the necessary movements and allows users to enter a Premium Debtor's rate and adjust as necessary the trended Deferred Acquisition Cost (DAC) items.
- Enables users to plan as many as five unique Initiatives for each product by brand, and then select which Initiative(s) to include in the final current forecast. A user may also plan up to five Difference Initiatives that vary from Business as Usual, for each product by brand and then select which Difference Initiative(s) to include in the current forecast. A Difference Initiative modifies the current BAU and then calculates what should take place to accomplish that objective. A regular Initiative begins with a clean slate, and users define what they are after.
- Allows the use of multiple currencies. Users may plan forecasts in a local currency which is then converted to the corporate standard currency using corporate rate tables.
- Provides immediate feedback on planning decisions.
- Allows reporting and analysis by product line, product, and brand.

### Key Cognos Planning Benefits

- Powerful, flexible model development using Cognos 8 Planning Analyst to customize the *Insurance Product Profitability Blueprint*.
- Web-based deployment of models for process workflow, data collection, and consolidation.
- Real-time workflow.
- Real-time consolidation
- Real-time browser-based calculations for immediate results.
- Scalable architecture with proven deployments to thousands of line managers.
- Linking functionality to ensure collaboration between all areas of the enterprise.
- Form-based planning with selection boxes to drive application logic and calculations.
- Flexible analysis and report development using industry-leading Cognos 8 Business Intelligence Representative Workflow.

The Insurance Product Profitability Blueprint is designed for collaborative use by executives, product line managers, financial planners, financial analysts, and product managers to help managers align decisions with corporate.

The following describes basic workflows in which an individual contributor would:

- Review corporate targets for a product or product line.
- Plan new Initiatives by product and brand to influence forecasted revenues and profitability.
- Forecast revenue and claim activity to align baseline plans and corporate targets.
- Assess impacts on product/brand revenue, expenses, and profitability.
- Monitor key performance indicators.
- Generate reports and analyses.



The following chart highlights the high-level work- and information flows through the *Blueprint*:

A deeper view reveals several supporting tabs:



A complete view of the *Insurance Product Profitability Blueprint* without the Initiatives model would look as follows:



Users, however, would only have to interface with the following tabs:



Or viewed more simply:



Specific areas of the model will explore flowcharts containing hidden tabs that aid in calculation and reconciliation.



The Insurance Product Profitability Blueprint uses as its e-list a hierarchical list of Products: (Boat, Motor Comprehensive, Property Burglary & Money ...)

Which roll up to Product Lines: (Workers Comp, Home, Motor ...)

Which roll up to Consolidated Product Group: (Commercial Insurance, Personal Insurance)

Which roll to Total Company. Product Runoffs can be included as part of the product hierarchy.

It should also be noted that for efficiency and speed, the *Blueprint* has been split into two applications. They are *Insurance Product Profitability* and *Insurance Product Profitability Initiatives*. There are components of the two applications which are very similar, as the same processes occur in both. For example, the flowchart above, entitled *Insurance Product Profitability*, calculates the Incurred Claims and Balance Sheet movements for BAU (Business as Usual), using the same logic as the flowchart below, *Insurance Product Profitability Initiatives*, does for Initiatives and Difference Initiatives. Where areas replicate, this implementation guide will highlight any differences from the original design and refer back to the earlier discussion of functionality.



We will now begin a discussion of the *Insurance Product Profitability* application, an individual contributor's starting point in the budgeting and forecasting process. Immediately following, we will explore the Insurance Product Profitability Initiatives application. It is intended that both applications would always be used in a complete Insurance Product Profitability solution.

## Insurance Product Profitability Application

#### Revenue

The first tab in the *Blueprint* is Revenue, where the forecasting/budgeting process begins. We begin by determining what revenue will be for Business as Usual. The Current Forecast in this tab defaults to Scenario 1. In the event user indicate no scenario preference, the model will default to Scenario 1. When viewing the Current Forecast page, users will notice in the top-left corner of the grid a Choice drop-down which offers the opportunity to change the scenario in use to another.

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By changing the drop-down that reads Current Forecast, users may work on any Scenario they prefer or view Actuals, the Prior Forecast, or the Current Budget.

When changing the view to Scenario 1 for example, users will now see where and how they might influence their forecasts. There are a number of grayed-out rows representing Trends that have been calculated and linked-in to give users a starting point as they begin the budgeting process. In the screen capture below, notice that for each trended item in the first column, there is a drop-down to enable users to define the Trend method they would prefer to use. The default is Same Period Previous Year, a number that has been calculated and pre-populated within the model to give users a starting point. Users may decide to change the default for any or all given trends to their preferred method.

User choices are:

- Same Period Previous Year (here, January to January, etc.)
- 6-Month Average (average of previous 6 months)
- 12-Month Average (average of past 12 Months—the default)
- Last Period (last period we have actual data for)
- Zero Trend (a zero base upon which to begin i.e. new product)

Begin by entering the first letter or number of your choice and hitting RETURN or by selecting an item from the drop-down list. The five choices above are those selected for this Blueprint. If other or additional choices are desired, it would be an easy matter to facilitate.

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EWP New			1,054,203	825,431	1.025.201	826,810	858.747	\$16,378	784,138	787,996	272,014	214,829	367,775
Promium Mess			1,065,371	873,072	1,070,500	\$68,775	\$96.527	837,930	884,537	968,824	332,190	240,972	194,465
Average Premium - New			417.6	393.4	432.5	379.8	410.2	436.6	755.4	Ø41.7	377.5	370.0	401.3
Average Fremum First H Add			417.6	301.4	412.5	378.8	610.2	4363		4657	8.0	0.0	
Average Preside - New (2 Ad	ù.		82	26	50	30	30	61	380	1243	82	112	- 172
Average Pleasan Tiow (Trood)		1. 31	0.0	0.0		8	0.0		382.0	326.0	372.6	370.0	801.0
Exponen New		Same Parent	Presson Train	2,231	2,476	2,200	2,162	1,920	1.171	1,151	880	551	963
Farmer Hewitt Adl		ENGED AND	1933	2.231	2,470	2,000	2,112	1.329	492	tert .	0	Û.	D
Excession - New 12 Aild		El Merrie Av	INC.	300	82	82	UE.	01	772	382	112	01	03
Constan-Mercillowdi		Lett Feard	14	0			0	1 - C	679	HLP.	000	651	940
Endersament Provision - New		Contrast	7 829	- 1511	1.498	753	6.401	2 680	5.811	143 31 91	231	\$28	163
Average President Bland Frider	in the second		22.5	00.31		2.0	10.1	171	24.6	128 01	1.7	43	11
	418.6.52		3900	10.3		- ST	19.1	1 100	23	5.0	# 0	10.0	50.0
Average Proving New Forder	and the August				02	0.5	05		100	(75)	02	02	.02
Average President and Constant	All series		0.00	200					100	17 14			
And age I test provide the contract	wroanno.			100	10.00	1 200		8	10,0	000.11	100		22
Explanation - Mank Endorregiant			125	101			307	130	2.35	000	10.0	197	1000
Endorsonint rate - New			8.92%	8.845	1,044	1.672	1.60%	0,695	1,196	2.095	0.366	0.848	0.914
Crabin manufatin i neer (H = 3)	CONT.		1.34%	0.041	1.041	1.07%	10673	0.055	00116	2005	0.004	0.00%	10001
Endecoment Nate - New (E)	wall .		8.093	H.UPE	11.001	11 201 2	0.008	0.001	299.23%	334.04%	-11.00 E	1.001	0.004
Cratation next Flate (Talera (Trend)			DOUT	0.00%	0.00%	0.004	0.005	1.005	0.301	0.675	0.0.064	11.04%	0.915
Cancellation Plensium - New	00000000		23,937	47.579	47,190	42,719	30,645	30.142	106,230	137,509	60.407	26.672	26.862
Average Presiden - New Eance	eRation		216.4	256.3	432.1	249.3	203.1	105.1	337.9	404.3	204.6	225.6	307.9
Average Freeman - New Care relation	n (Britellic		216.4	256.0	14111	241.2	293.3	HD)	179.6	1787	1.0		
Average Presiden - New Cance	Idea St notella		35	01	01		02	0.00	1134	- 697	01	0.5	08
Average Frenum - New Cancellate	n (Trend:		0.0	00	. 6.0	() (現現)	3.0	. <u>U</u>	1583	224.6	264.6	225.6	197.9
Espance - New Cancellation			157	106	- 114		106	167	314	340	212	310	136
Concellation Flats Now			10.6520	0.012	0.533	0.761	0.782	<b>秋74</b>	1.45%	1,6252	1.11%	0.682	0.838
Contribution Field Here (\$ Avg.			5.014	0.01%	- 注册书	1755	0.745	0,743	0.635	0.793	3 904	0.00%	0.00%
Concellation Flate - New [2: As	6		0.0kk	0.005	0.00%	0.001	0.001	0.001	74.535	92.053	0.001	0.001	8.664
Cancellation Plate - New (Ferrit)			0.003	0.005	10.00%	1000	8 000	0.000	0.645	0.065	1.11%	11.880	0.075
										n	П.		
GWP - /lenewal			3,419,002	2,293,605	3,352,457	2,978,706	3.364.997	3,267,5%	3,814,030	3,911,352	3,464,886	3,154,045	3,758,721
Permises Renewal			3.668,279	3,093,997	3,622,328	3,149,238	3,544,966	2,458,510	3,613,966	4,453,302	3,611,744	3,381,382	3,546,251
Average Pientian Beneval			398.9	419.0	423.7	426.7	401.1	397.2	881.2	815 6	435.5	446.0	421.3
Avenue France Fatavel/3.edi			390.5	4790	425.7	436.7	481.1	397.1	451.6	4401	0.0	0.0	0.0
Average Presides - Demond D	LA41		83	82	83.		02	03	105%	1173	83	02	112
Average Passate Passault Tarret	6400			00	8.0			ñi	4295	325.4	055	945.0	421.3
Fatoster - Firmewood			9 395	7 363	8.993	7.486	7 363	E 192	4 1/01	5.450	8 293	7 403	8.417
Fernance, New Burnaul			3 151	1.672	2.114	1.816	1.854	1.475	1.122	1 100	1.539	1 283	2 800
fillered , New Herneyd			3 154	2.088	9.78	9.379	3 3 78	1 100	1 /87	2 191	2 198	1 698	3 643
Lange Design How Reason			199,200	195.009	369 705	238 204	200.001	174 202	581 790	000 010	323 207	100.492	228 377
Longe Longe Mary Mary	<u> </u>		1000			Ser.				1.091	510	405	54.347
Langua Caponini - Hars Harsen			10 1 22	77 1999	22 18.2	71455	70 7/7	100	17.057	410 2007	21.222	71 902	34 711
Capito Isola - New Insteam			38,32,4	00.004	22.784	11.000	40.00%	00.004	10,000	10.2.04	21.27%	23.304	11000
Lane Hate - Horn Portiona (1991)			12,160	02.001	1.000	10.000	0.000	0.000	10.055	4 741 (1976)	0.00%	0.00%	10004
Lating Line . Mess Hencard 12	64		0.035	0.000	0.90%	0.902	0.002	0.004	340.94	1.00.000	0.001	0.00%	0.004
Comme trade - Press & scherold [] escrip			1002	entix.	0.005	1005	1000	u.ees	TEREX	11642	21.27%	23.964	20.250
Laplance - Filmereral Pionerval			6,235	5,761	6,430	2,012	2,515	4,764	2,979	4,361	6,404	6,120	6,417
Ulfered - Renewal Flotomal	1.11		9.650	7.037	7.705	6,835	6.503	5.824	4,010	7.672	7.691	7,309	7.554
Lapse Premium - Renowal Ren	ice all		557,051	534,940	538,477	115,461	475,397	420,005	342,447	2,618,809	560.729	530,100	479,245
Laper Exposure - Remissal Re	neeal		1,425	1,277	1,271	1,225	363	1,060	1,071	3.211	1.287	1.189	1.137
Lapse Bate - Renewal Danew	al.		16.465	10.145	16.49%	17.771	15.20%	18.203	26.443	42.41%	16.74%	16.26%	15.063

Users can modify any item for which a Trend number is entered by specifying an Adjustment Number (or Dollar), by entering a percentage to change the item, or by directly editing the result and allowing the model to calculate the adjustments. As an example, one could increase Average Premium-New—the Average Premium for new business—by either adding or subtracting a dollar amount, by increasing or decreasing it by a percentage, or by entering the desired result in the Average Premium-New cell. Numbers may be changed by one cell at a time or by complete rows. Totals may be changed and the change would then break-back (reverse allocate) over the detail items.

Fields in GRAY are non-editable and are either locked historical data, data linked over from other tabs, or items calculated based upon information entered in the white (or editable) areas. As changes are made, they are highlighted in BLUE along with any cells affected by the change. Changes made on any specific tab will flow through to subsequent tabs upon which they have an effect. Making changes to the **Revenue** tab will change revenue, which would change Earned Premium Calc; and since the Earned Premium effects **Current Year Claims**, that would be effected also, and so on.

The calculations in this model were developed from a driver tree that is available as an Addendum to this implementation guide. The driver trees are also available via a link on the bottom-right corner of the Web portal. The following driver tree should prove helpful in gaining a deeper understanding of the **Revenue** tab.



In addition to the driver trees, *Insurance Product Profitability Addendum V2.xls* contains detailed flowcharts of the processes within models, a discussion of New Claims Theory, an Excel spreadsheet detailing the logic and flow used in the Claims Handling Provisions, the internal workings of Difference Initiatives, and a glossary of terms used in the application.

A second file entitled *Insurance Product Profitability Tab Layouts and Model Design.xls.* provides a detailed layout of each tab, the d-list used, and the sizing of both applications, as well as other information relevant to the applications.

As noted above, users may also view Actuals, Prior Forecast, or the current Budget from within the **Revenue** tab. Notice that the timescale changes as views change. In the example above, the Current Forecast and related scenarios ran from January 2007 through December 2008, the two rolling fiscal years we are fore-casting. (July 2006 through December 2006 are viewable as read only as they are the actuals that make up part of Fiscal Year 2007. The Budget covers Fiscal 2007, which runs from July 2006 to June 2007.

Bevenue Incing: Patters	Care of Your Chara	Canf	Agment Patters	Dertien	Circuit Carolice	heard	laise   Espen	ING DAL	himtos fuerba	Const	nu Core	oldered Press S	Seagering	- MEDI
Y OGermetas Meter-Marifis			• 1	Fuiled										
		A#35	Artilli	5a) (M	0.04-08	tion Di	DeetB	1 at 107	Hil-07	MYR	AxUT	Marine .	danif.	Final B/
Groot Witten Promises		3,328,778	2,534,258	3,053,450	2,554,823	2,058,401	2,155,341	1,278,717	1,642,794	1,123,345	1,605,905	1,108,445	1,003,504	21,477,285
IDWP - New		760.007	5/0.013	117.303	578.978	107.043	567.472	1,131,755	1,786,313	1,775,765	1,771,048	1,792,000	1 /62.793	14.364.626
Pressure Mase		768.837	811,373	745.563	NUR284	623,076	586,765	1,783,074	1.507,648	1.337.648	1,537,548	1.357,848	1,337,548	15,214,834
Average Promise New		417.8	391.4	432.5	375.0	618.2	434.8	1,797.0	3.437.1	1.037.1	3,007.1	3.037.1	3,097.1	1,119.1
Espoisse New		1.620	1.562	1.734	1.002	1.514	1,350	984	808	630	608	630	638	13.751
Frahariscourt Piccolan New			1431	1.050	520	4.577	1,81.2	4,059	(36,254)	E01324	(39,211)	140.5741	142,008)	(186, 126)
Average Presiden - New Ender	ucensi.	22 1	10.31	8.3	2.0	10.1	17.1	24.6	(78.0)	170.00	179.00	[78. dt	178.81	(50.76
Esporum - New Enderrowert			854	244	254	250	106	165	855	435	511	225	5.08	3,782
Endersonent Rate - New		11.0012	0.843	1.54%	1.62%	1.885	8.693	1,163	2.943	3.052	3.062	3.068	3.66%	2.433
Contribution Pannam - More			33,318	33,091	29,014	33,568	21,107	74,388	115,002	123,555	126.698	136,865	133.349	\$44,083
Average Parman - New Calco	efation .	296.4	256.3	413.1	243.3	283,1	185.1	337.9	404.3	404.2	404.0	404.3	404.3	361.5
Exposure - New Cancellation		Đat	128	101	120	116	114	220	205	308	313	327	338	2.305
Concellation Bate - New		11.007	0.012	0.678	0.003	0.74%	# 74W	1 467	1.000	1.000	1.007	1.001	1.000	1 010

Actuals cover a period from July 2004 through December 2006.

Revenue IsringsPatters Curr	ere Year Dainy Da	in Parters Fatters	Parties	Dans Cashlow	instead C	laise Liger	Dild on	Mantov Encoder	PoRSL	Con Con	oldeted Profit S	See (EDO)	18640
* DEcometal Motor - Non-Heat -	THE PARP	-	Y Petant	and the factor of the same		a sector and the sector and			and an arrange				
	.A404	Ar304	500.04	0.9.01	Mar-OI	Cacilia.	Juniti	50.05	Matt	A000	Mayot	Junit.	Finial RI
Gross Written Premain	4.660,7	\$7 3.335.540	4,310,020	-3,695,629	1415.426	2,050,533	2,416,751	4,055,480	4,407,014	4,308,995	4.347,195	7.093.540	50,141,045
IDWP - Base	1,150,4	17 1,002,545	1,127,578	1,015,774	1000,1005	215,311	217,961	563,875	20,661	898,781	310,367	1,200,342	11,258,386
Presenter Mart	1.150.0	17 1.020.120	1.172.177	1.074.046	962,584	338,113	764,007	1.015,035	1.002.521	542,225	258,202	1 299,506	12.108.501
Average Premum New	391	3 385.3	433.4	416.4	386.9	405.6	400.4	402.2	160.2	389.0	368.5	402.4	397.3
Esposare Now	2.9	W 2,779	2,705	8578	7,488	185,5	2,998	2,533	2,658	2,422	2,80	3,230	31,314
Endersement Promium - New		1 (222)	1,830	(2,724)	2,043	2,030	11	1,010	817	22	(294)	(472)	1.576
Average Pressue - Non-Erobourget	al.;	(C. 1)	42.0	(17.1)	24.3	26.1	62	42.6	10.2	0.2	12.71	12.31	44
Expression - New Endersonment		8 846	1.81	160	117	10	80	103	180	117	101	143	1,248
Endstrement Rate - New	0.0	14 E.563	0.35%	0.62%	0.453	8,315	8.322	0,412	0.212	0.451	0.524	0.50%	1.403
Concellation Processon - Now		11 12,310	46,271	55,538	84,472	43,010	45,051	58,870	57,873	43,545	37,845	91,122	407,708
Average Pressure - New Carcellatio	0 200	15 235.8	218.7	296.0	358.3	307.8	200.0	234.4	255.6	187.5	200.0	343.6	266.0
Explorate - New Concellation		11 211	211	124	188	143	223	21/	228	168	131	288	2,285
Concellation Rate - New	1.0	38 0.012	0.81%	8.758	0.785	8.05%	0.684	0.851	0.863	LBBR	0.528	1.14%	818.8

# Earnings Pattern

The second tab of the *Blueprint*, Earnings Pattern, offers the ability to enter the Policy Period, that is, the number of months the premium is to be spread over or—put another way—the cover period for the premium. Policy Period varies by product, which is how the planner has logged onto the model. The default, if no selection is made, is to spread the premium on a 12-month basis. In the diagram below, 1/24th of the premium is recognized in the first period, Development Month zero and 1/24th of the premium in the 13th Period, Development Month twelve. The remaining 11/12ths would be recognized between periods 1 through 11. It is always the case that 1/(2\*Policy Period) goes in Development Month 0 and the Development month equal to the Policy Period and that (1/Policy Period) goes into Development Month 1 through (Policy Month – 1). The phasing calculated in this tab is used in both the Earned Premium Calc tab and the Earned Premium Calc Initiatives tab.

ĝ	Revenue	Earnings Patte	ern	Current Ye	ear Claims
*	Com	mercial Motor - No	n-Flee	el 🕶	
	Deve	lopment Month	Polic	y Period	Phasing
0		0		0	4.166667
1	1	1		0	8.333333
2		2		0	8.333333
3		3		0	8.333333
4		4		0	8.333333
5		5		0	8.333333
6		6		0	8.333333
7		7		0	8.333333
8		8		0	8.333333
9		9		0	8.333333
10		10		0	8.333333
11		11		0	8.333333
12		12		0	4.166667

#### Current Year Claims

The third tab, **Current Year Claims**, calculates the Cost of Current Year Claims. The **Current Year Claims** tab calculates this cost for both New and Renewal business. The Cost of Current Year Claims is arrived at by adding Incurred Dollar – New and Incurred Dollar – Renewal. The **Current Year Claims** tab allows the user to choose one of two methods when calculating Incurred Dollar. The two methods are the *Size* & *Frequency Method* or the *Loss Ratio Method*.

The Size & Frequency Method multiplies Incurred Number by Average Claim Size, and then phases the result by the days in the month. (The numbers brought over from **Earned Premium Calc.**)

The Loss Ratio Method takes the Earned Premium numbers (New and Renewal), linked in from the **Revenue** tab, and multiplies them by their respective Gross Loss Ratios (New and Renewal).

When calculating the Incurred Dollar used in the Size & Frequency Method, the Incurred Number is determined by multiplying Claim Frequency by Inforce. The Inforce numbers were linked in at the same time as the Earned Premium numbers and represent the number of policies "in force."

Tiers	nie	Loring: Patra	n Current	Year Dame	Dan Parner	Pasam	Pipe minimum Dimensi	Castles	Incared Clarity	Equipme (64)	0 non-		stani G	Stationed Provi 6	LANSING	RHP
100	net t	strocipe!		Carvert	al Hone's Hourt	· · ·	NOAS!		- P Seator	E.						
( and the second			- Aller	Wathod *	1400	App DE	Sep-08	Dot OE	Acces (M)	D40-08	Jan UT	Fabilit	1844-07	1440	Har-27	- /ber\$7
New US	6863	the LLE or PM	460		1.003.518	2,002.770	2,121,000	2,391,273	1 2,458.347	2.630.685	2,473,236	2,240,740	2,007,071	2,790,228	2,733.830	2,052,335
Class H	ABolt										attended and	1				
(barrant.d	Dall	a Ben			417,752	442,258	468,076	\$10,271	P \$28,226	875,812	THE	441,200	\$63,523	530,017	122,900	454,642
Game 1	nas.F	latin - Mere			51.002	64,003	E 64.002	64.003	E 64.002	61.161	Lass Metal	64 162	64 162	64 S72	64,162	64 173
Generalis	nt Raf	10/日前日本語				84000	\$1,00%	. 64,005	18.0PF	\$4.000	SALSAL)	61,015	34,00%	01.005	64.06%	64 045
Genen L	aux F	fates New FC	Aqi		0.001	0.002	10003	0.003	E 0.007	35.731.90%	29.731.96%	35.515.27%	39.731.588	30.320.367	39.731.503	30.325.357
GeneCo	ei flai	to Here Dand.			0.000	0.000	C H000	10.00	C 0000	1.0.00	0.010	1110	-0.001	0.00116	0.0101	
Because	Max	her How			- 8		1 (10)	S	1 0	1		/1	1	·	1	
Avenues	Cla	a lin - Ber			. 48	0.1	1 00		ι nα	311	10	3.0	3.0	31	30	3.0
AVHINE:	586	如何一時時少月二月	0		. 10		1 (4.8)	C (4)	10	00	00	0.0	- 2.0	- 0.0	- 9.0	0.0
Avenag	r Che	in See - New	(FAM	1	0.005	0.001	0.001	0.003	0.001	0.00%	0.00%	0.00%	8.80%	0.002	0.003	0.00%
Average	Contra I	Case - Family Trains	e 10		1.0.188	0.00	U 30288	1 11148	1 (2.20)	0.000		22.00	9.0	1000000	1.00	100
Clam I		rup - New Dis	(Pased)		0.002	0.003	C 31 1812	1.003	c name	0.042	0.04%	I DIX	0.043	E GAT	0.047	0.043
Gate Fra	gant	a - Henris Len	2		0.000	ODD	1005	0100	C 0.000	/ -01WR	0.008	.0.015	0.003	0.002	0.065	.000
Claim f		incy - New St.	A41	_	1011	0.001	1 0.002	0.001	0.000	0.001	0,002	0.0002	0.002	0.800	D.UUX	0.00%
Class 64	2WX	or-Beellowegi		-	0000	CUIN	c summ	1.00		-1000		NUME	0.041	2000	10005	2.045
	-				and the second	. concer	and the second		n a a san a	10.200 0000	1.000	1 1 1 1 1 1 1				
Personal division of	0.44	ar - Rissignered	1		1,4/10,700	Lisakin	1,141,4.0	1,000,000	1,110,006	7,100,687	1,329,740	1 100,040	2,473,5,49	2/12/13	27/5,14	- 2,187,682
pane	111	Carlos - Planname	- A		64,000	84,000	64,003	80.000	E 60.000	80.161	66,16.5	NU TRE	68,162	##,172	64,165	84.1/2
U		tes (Permoval) # /	VIII.		10.00	5400	34003	-94.00		- 94.0875	34155	04.05.8	0.004	00,045	04.012	OK DES
FURLY T		tid to Statutes	SCL AR		4,005	0.003	0.000	1.003	1,004	0.00%	0.002	0.002	D. BLOG	Leve	0.004	D. Plot
14 14 14		ter - reaction of the		-	10.44 <u>5</u>	0.04				1.64647	witer	0	0.005	100	11.264	10.04
incuse.	100.4.3	sel - Inconver	Promany.		1.1	1123		1.1.1				3.0	20		7.0	
A		The second second	E ALA					S 343		300	4.0		- 40		2.0	
Lange C	100	Cide ins mission	100		1.000			10.000	- 000	100	0.000	0.00	0.000	0.00	0.000	0.000
Averag		Sector - Hereit	WOI I-A MAD	2		0.001	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.000	0.004	0.004
Channel I.					0.000	0.000	0.002	0.003	0.000	0.045	0.045	0.047	DOCT		1.441	0.047
ALC: No	100	a. Record R. d.	112		0.000	0.000	0.005	3.00	in the second	6188	0.044	oort	DOPT	5005	0.000	10788
Chains I.		data - Bahama	INAL		1.001	0.003	0.001	0.001		0.000	0.00%	0.002	0.000	E 003	0.000	0.000
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The Earned Premium numbers linked in from the **Revenue** tab are from the Current Forecast. contributors to the model, who would have first arrived at the **Revenue** tab numbers before beginning work on Current Year Claims. Within the **Revenue** tab, they would choose a scenario as their Current Forecast or they would have by default accepted the first scenario.

As in the **Revenue** and **Expenses** tab, users may choose a Trend Method when bringing in trended items. In the **Current Year Claims** tab, the trended items are Average Claim Size, Claim Frequency, and Gross Loss Ratios. These items are linked in for both new and renewal business and may be adjusted as desired.

Working
Working Event Large 1 Large 2 Total Claim Types

While working in the **Current** Year Claims tab, users may work on one Peril at a time or all perils at once. The Perils in the *Blueprint* are Working, Event, Large 1, and Large 2. The name and number of Perils are tailored to a companies needs.

## Claim Payment Pattern

The fourth tab of the *Blueprint*, Claim Payment Pattern, is where the Discounted Pay Pattern is entered. This number may be user-entered or be pre-loaded by actuaries. In the event the Payment Pattern is pre-entered, this tab may be hidden from the user or set to *Read-Only*. Discounted Pay Pattern is the payment pattern of the undiscounted claims cashflows. [For an explanation of Discounted Pay Pattern, see the sidebar on page 33.]

The Claim Payment Pattern tab takes the Discounted Pay Pattern and, after calculating the Development Month, uses these two items to arrive at the Undiscounted Pay Pattern.

The Claim Payment Pattern tab has the Discount Rate linked into it from the General Assumptions tab. Discount Rate is converted to a Monthly Discount Rate, which is then used to calculate the Unwind Factor.

The Unwind Factor is the number applied to the Claims Payment Phasing to arrive at an Unwound Payment, that is, the Undiscounted Cost of the Claim.

The information calculated by this tab is used by a number of tabs throughout the model. It feeds the Development Month to the Earnings Pattern, which is then used to calculate Earned and Unearned Premiums.

The Undiscounted Pay Pattern is used in the Claim Payment Table; the total of the Undiscounted Pay Pattern is used within the **Incurred Claims** tab; the Unwind Factor is used in the first step of the **Claim Projections** tab, and the Monthly Discount Rate and Power are used in the third step of **Claim Projections**. The Unwind Factor is also used in the **Prior Year Claims Cashflow** tab. All of these calculations will be discussed in detail, when we look at specific tabs below.

The Discounted Pay Pattern may cover from 1 to 241 periods. Since we are doing a 24-month forecast, development months 25 to 240 are accounted for in development month 25 of the model.

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#### Prior Year Claims Cashflow

Tab five, **Prior Year Claims Cashflow**, allows users to enter the previous Gross Incurred Claims in order to Unwind it and arrive at the Opening OS Reserve (OS=Outstanding). It links in three items: from the **Time Calc** tab, the Discount Month; from General Assumptions, the Discount Rate; and from the **Claim Payment Pattern** tab, the Unwind factor. The current month is always Development Month zero. The **Time Calc** tab, among other things, monitors automatically what the current month is, and then enters the correct Development Month into the appropriate calendar month.

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Prior Year Cash Flows are then linked into Prior Period Claims in the **Claim Payment Table** tab; Prior Period OS Claims Reserve and Movements are linked into the **Incurred Claims** tab.

## Incurred Claims

Tab six, Incurred Claims, calculates Outstanding Claims Reserve, Prudential Margin, and Claim Handling Expense Reserves. The tab also calculate other items such as the movement on these items, Net Claims paid, and Re-Insurance recoveries.

To do so, the Cost of New Claims links in from the **Current Year Claims** tab, the rates needed from the **Technical Parameters** tab, the Opening OS Reserve and movement from **Prior Year Claims Cashflow**, the Net Claims Paid as calculated in the Claim Payment Table, the monthly Discount Rate from General Assumptions, and any Claims Handling Expenses that may have been entered into the **Expenses** tab. These items, along with Revenue information linked in from BAU are then used to calculate the recoveries and ratios below.

The undiscounted Pay Pattern is brought in from the Claim Payment Pattern tab in order to calculate Gross Undiscounted Incurred Cost. Hidden from users is the fact that the Current Month has been linked in from the Time Calc tab and is used in certain formulas.

Having received from **Current Year Claims** the Cost of New Claims and then accounting for RI (Re-Insurance) recoveries, the result, Net Cost of Current Year Claims is linked into the Claim Payment Table to calculate Net Claims Paid. This will be covered when we explore the **Claim Payment Table** tab.

The final link into this tab would be from STEP3 Discount Unwind(HIDE) which is the third step in the Claims Projection process (see below). It brings in the OS Claim Reserve. The process of arriving at this number will be covered in the tab description in the next section.

Besides the link into the Claim Payment Table mentioned above, this tab also feeds the Claim figures and reserves found in the **BAU** tab and the Reserves and Prudential Margin found on the **Balance Sheet**.

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This tab also allows for user input of the Claim Provision Releases and Valuation Strain and therefore is writable by the user.

## Claim Projection Forecasting

The following chart represents the process of arriving at OS Claims Reserve, along with other key measures and metrics. We have discussed a number of the tabs shown here, and are now leaving **Incurred Claims**, located in the center of the flowchart, and entering the **Claim Payment Table**. The process through the **Claim Payment Table** and continuing through the **Claim Projection** tabs, (steps 1 through 3), will now be covered in detail. At the end of the tab breakdown will be another diagram showing how the numbers are manipulated through this exercise. This diagram, a screen shot of an Excel worksheet, will be provided with the model documentation in the file entitled *Insurance Product Profitability Addendum V2.xls*. It will include both the original actuary documents and the Cognos solution that arrives at the same answer. The Claim Projections Forecasting Process discussed here includes tabs that may be hidden from users within the application. They are viewable in the *Blueprint* as tabs sixteen through nineteen. We will explore their functionality here and then return to our normal sequence of tabs where we left off—tab seven.



## Claim Payment Table

The sixteenth tab, **Claim Payment Table**, is used to calculate Net Claims Paid. It is then fed directly back into the **Incurred Claims** tab. The remaining portion of the Cost of Current Year Claims is then processed through the three tabs, steps one, two and three, that together calculate the OS Claim Reserve.

The Current Period Claims page is linked in from the **Incurred Claims** tab and brings in the Net Cost of Current Year Claims. The Net Cost of Current Year Claims for the Prior Period Claims page is linked in from the **Prior Year Claims Cashflow** tab.

This tab requires no user input and would be hidden.

The Undiscounted PayPattern is linked in from the Payment Pattern tab.

🎾 Base		🐦 🛛 🔁 Commercial Matar - Fleet	· P AMP	▼ \$P][To	tal Claims
1.11	Not Cost of New Claims	Claim Payments Current Year	Claim Payments Prior Year	Total Claim Payments	
Jul DE	7,205,993 58	690,993.29	.0.00	690,993.2	9
Aug-DE	7,230,008.22	1,307,669.20	0.00	1,387,669.2	0
Sep-06	7,166,880.10	2,001,691.60	0.00	2,081,691.6	0
Oct-05	7,562,000.91	3,087.020.15	0.00	3,087,020.1	5
Nov-85	7,459,864.00	4,088,371.79	0.08	4,088,371.7	9
0ec-05	7,889,984.88	5,133,497.75	0.00	5,133,497.7	5
Jan 07	7,338,253.93	5,538,882.94	0.00	5,538,882.9	4
Feb 07	6,460,341.69	5,856,217.45	0.00	5,856,217.4	5
Mar-07	7,094,195.30	6,257,324.51	0.00	6,257,324.5	1
Apr-07	6,845,600.07	6,361,879.00	0.00	6,361,879.0	0
May 07	6,828,463.00	6,440,270.00	0.00	6,440,270.0	0
Jun-07	6,396,615.23	6,467,104.23	0.00	6,467,104.2	3
Fiscal 07	85,478,121.64	53.390.921.99	0.00	53,390,921.9	9
Jul-07	6,533,539.82	6,444,507.69	0.00	6,444,507.6	9
Aug-07	6,458,257.41	6,490,697.15	0.00	6,490,697.1	5
Sep-07	6,129,059.12	6.423.596.66	0.00	6,423,586.6	G
Bct-07	6,399,749.45	6,386,886.69	0.00	6,386,806.6	9
Nov-07	6,184,395.40	6,356,002.21	0.00	6,356,002.2	1
Dec-07	6,262,087.57	6,332,084,29	0.08	6,332,084.Z	9
lan-08	6,163,054.95	6,209,718.86	0.00	6,289,718.8	6
Feb-08	5,660,819.75	6,208,874.94	0.00	6,208,874.9	4
Mar 08	5,999,425.50	6,194,429.49	0.00	6,194,429.4	9
Apr-06	5,744,809.55	6,118,993.08	0.00	6,118,983.0	0
May-III	5,746,756.17	6,049,498.28	0.00	6,049,490.2	8
Jun-08	5,396,527.32	5,963,540.38	0.00	5,963,540.3	8
Fiscal 08	72,678,482.01	75,258,810.53	0.00	75,258,810.5	3
1406	5,568,627.13	5,879,664.21	0.00	5,879,664.2	1
Aug18	5,534,461.55	6,087,250.69	0.00	6,087,250.6	9
Sep 08	5,282,500.26	5,976,015.78	0.00	5,976,015.7	8
Oct-09	5,529,853.91	5,913,171.09	0.00	5,913,171.0	9
Nov-02	5,359.045.20	5,867,476.86	0.00	5,867,476.8	G
Dec-05	5,458,688.16	5,823,075.64	0.00	5,823,875.6	4
lan-09	5,580,843.44	5,812,772.62	0.00	5,812,772.6	2
Feb-09	4,567,698.22	5,674,961.24	0.00	5,674,961.2	4
Mar-09	4,411,891.14	5,543,875.25	0.00	5,543,875.2	5
Apr 09	3,658,780.40	5.373.743.25	0.00	5,373,743.2	5
May-09	3,133,934,24	5.102.031.81	0.00	5,102,031.8	1
Jun 29	2,216,670.43	4,746,031.10	0.00	4,746,031.1	0
Fincal 09	56,392,994.09	67,800,869,55	0.00	67,800,869.5	5

By use of the Delay BiF (Built-in Function) we arrive at Net Claims Paid, which is linked back to Incurred Claims. It is called Total Claim Payments here. In the page entitled Base, the Net Cost of Current Year Claims is being delayed based upon the payment Pattern.

In the first month of the forecast, the amount delayed is the sum of Development months 1 through 25. The three entries in this case would add up to more than 100 percent because it is the Undiscounted Pay Pattern. The Undiscounted Pay Pattern is the payment pattern of undiscounted claims cashflows. *[For a further explanation see sidebar.]* The pattern is used to allocate the remaining cost of new claims over the future development periods.

#### **Discounted Pay Pattern**

In the fourth tab of the Blueprint, Claim Payment Pattern, we entered the **Discounted Pay Pattern (DPP)**. The DPP is the pattern used to "spread" the cash flow payments for all new claims incurred over their expected future payment periods. As an example, almost 100% of motor vehicle insurance claims are expected to be paid within 12 months from date of occurrence (hence the term "short tail insurance"). A stylized example is 30% paid in Month 1, 25% Month 2, 25% Month 3, 20% Month 4 – i.e. 100% of the claims are paid within 4 months.

The view above hides the development months (0 - 25) which exist between columns one and two and just shows the results. The screen capture below, the "spread" page, shows the spread balance of claims that will be fed into Step 1 of the Claims Projections Process.

Easter Prenam East Clair		aits Pagement Table Step 1 Middle Dam Pyte (4 de)		hen Pyra (Hide)	SNp.21lizz.13wes3	here i felsael	- 114	S III Instant (Inseed	Illingtum (Inned Side) Tres			heiddowla	Ben Tupe Georia		
been	the second second second		name of Malth Free	<ul> <li>Algorithm</li> </ul>	•		1.10	siOwes.							
	2		-2	14	#				- R.S.			31	10	08	12
305	630,553,28	\$94,373.11	137,753.46	371.192.54	975,547.91	980,72	1.51	378,763.48	380,516.	11 382	477.80	163,622.61	164,422.93	185,227.18	38.31
0.14	633,256.03	##6.647.37	708.894.94	174,434.15	9/3,200.35	103,18	8.86	308.625.75	301,004	55: 383	252.44	164,167.50	164,378.08	160,777.MI	78.05
9 M	687,254.52	1011.598.40	1213;374.28	165,915,19	970,630,72	375.36	17.36	326,203.35	378,545	93 300	397.98	162,732,67	163,528.03	104,329.48	77.00
346	725,131.36	720,678.15	732:242.38	3,813,178.93	1,074,103.97	1,629,17	2.41	357,476.64	201,478	20. 401	30.210	171,706.20	377,546.13	173(308.18	62,17
eVOE	715,397.39	798,936.19	722,362,19	1,005,413,27	1.000,330.00	3,015,22	2.70	382,107,49	204,025	20. 205	網及解	160,307.11	378,295.02	171,048.18	11,03
503	756,582.21	750,282.84	264.001.57	1,483,385.39	1,058,584.68	1,673,87	1.37	414,715.63	418,744.	10 418	282.50	179,153.63	186,029,91	160,910.45	85.74
6.87	782,675,93	707,117.7B	710,576.47	183,823,11	993,868.67	\$99,77	1.81	385,715.35	287,682	82 385	497.08	166,625 77	167,440.78	168,259,78	79,74
b07	(115,491.04	\$22,521,72	125,566,63	#702705.30	874,508.13	879.22	0.20	329,579,37	341,235.	246 342	500.25	146,6291,403	147,409.00	140,138.85	70.21
1002	510,272.78	800,688.17	1215.5453.003	386,129.78	350,000,45	563.54	15.79	377,007.11	2/4,718	376, 18	543.98	961,004.62	161,071.07	362,663.73	37/,03
47	656,436.73	480,045.48	0.02001.00	#2,025,13	327,137,93	831,62	10.5	350,020 42	301,580	31 363	348,02	155,439,37	16.1.10.76	156,003.62	74,31
900 C	1654,791.311	\$57,994.08	801,292.49	\$20,315.36	924,616,84	929,09	10.34	358,919.83	360,875	10. 362	100,001	955,150,23	155,808.62	156,574.71	. 14.25
c49	1112,200.01	18,116,213	1010.005.00	852,112.40	1610,3292,70	870,58	1.72	336,228,23	337,865	25 333	111172	145,244-40	145,358.92	346,000.02	(2),51
and H/	8,196,522.42	8,236,714.13	8,277,001.03	11,521(429.56	11,576,778.86	11,633,40	11.75	4,402,105.34	4.554,981	10 6.536	5614.335	1,940,986.61	1,958,198.00	1.166,830.16	039.00
107	625,519.71	629.575.13	612,654,54	188,564,18	804.073.75	893.29	1.99	343,417,76	345,097.	92 - <b>34</b> 6	715.41	140.253.57	143.079.22	149,888.38	70,95
10	615,251,77	622,335.00	625.364.01	8711,435.29	874,677,92	879,95	10.31	329.468.76	241,121,	15 342	781.65	146,644.17	147,381.44	T40,002.72	. 70,11
47	587,724.47	550,529.17	533,407.94	826,852.24	1010,022.67	834,15	2.06	322,157.35	323,733	10 325	316.94	838,169,74	133,849,85	140,523.98	66.68
47	(R12,680.36	ETE, RE3.83	10110-0020-008	162,534.30	1001,752,77	\$678,35	0.28	32638545	200,000	60 335	684.13	145(105.65)	146,036,40	146,748.83	61.51
YOF .	593,800,74	105,971.40	598,046,25	833,588,26	037,587:17	1041,68	H. 01	325,005.95	325,555	93 320	283.00	140,425,73	141,312,59	141,882.96	62,2
ntH.	598,488 /6	40(1.417.86	105,96H 37	843,9895,933	848,305.85	857.25	5.27	329,149,53	330,759	50 332	18.198	142,189.85	142,985,33	140,584.27	EL.IP
439	590,984,38	\$\$3,975.42	1746,779.82	\$30,534,88	834,696.93	839,77	8.62	323,944,25	325,528,	74 327	120.91	139.941.17	148.625.65	141,313,48	66,97
00	542,824.31	\$45,479.39	541,147.47	762,944.65	756,676.40	770,42	\$.40	297,545.62	293,090	90. 306	463.47	128,537.18	129,165,09	128,797.47	61.53
100	575,25171	\$21(107.61	NEU305.28	000,508.70	312,52B.9E	816,58	10.101	335,242.53	204,005	924 - 316	4085.98	136,725.72	136,892.03	137,561.61	\$5,73
-68.	556,809,21	863,572,68	555,280.35	774,264,49	778,051.61	701.05	1.25	369,968.31	303,437.	20	44,198	\$30,444,29	101,002.03	121,723.48	62.42
10	2551,064.00	553.768.27	556.460.05	774,526.95	770,315.25	382.52	2.19	362,062,63	201540	10 305	1014 75	100LA08-49	101126.26	121,788.12	62,44
(15)	517,400.02	\$20.012.86	572,585,555	727,324,29	730.801.00	734,45	6.72	283,852,88	295,047,	22 295	65.6	122.5.66.64	122,335,39	123,737.68	机局
mai 18	8.988.246.21	7.003.314.51	7.037.589.5	9.795.348.89	3.843.262.26	9,891,39	8.04	3.820.147.04	1,838,832,	33 3,857	688.01	1.650.271.10	1.658.342.98	1.866.454.35	289.79
181	1510,000 (07	\$36,528,67	519,229.28	750,515.26	254,100.24	1972,002	8.17.	252,689.76	254,131	(1) 285	5/0.10	125,643101	327,062.29	17/,80177	60,51
9.00	530,292.61	533,383.46	105.001.07	745.014.55	743.962.00	203.22	11.38	29815823.94	292,326	61 203	256.62	125.180.001	176,282.75	126.000.19	61.14
9-01	595,545.78	5851.824.34	511,514.11	711,956.13	/15.438.48	718,30	17.87	277,688.28	229,018	20 200	383.13	111.946.00	128.533.57	121,123.13	52.4
1.000	538,265.188	302,393.46	108,465.97	745,282.M	200,000.96	197,68	12.51	298,163.75	252,000	6) 202	517.18	125,562.41	325,377.57	126,194.74	64,41
ewae	513,806,78	\$316,408.25	510.901.09	722,212,57	725,005.29	228.38	6.44	201.003.66	201,961	46 204	445.97	121.004.95	322,200.14	177.078.24	581.23
e/3	522,441.83	526.003.05	5/18/5/4 78	725.792.85	100,000.00	147,91	6.621	201,921 12	200,324	52 205	334.75	1211147 45	124,553.75	125,162.97	69.0
-109	525,110,26	\$77.772.34	548,403,22	752,165,73	755,844,76	759,54	17.71	252,243,88	254,775.	63 216	218.51	126.721.20	127.301.10	127.563.98	68.64
808	438.003.28	440.145.66	442.298.52	\$15.812.71	518.828.85	621.65	4.22	248.008.85	241,252	99 242	441.01	103.716.26	104.223.55	104.733.35	49.63
6(-0)-	\$23,962.71	425,132.92	425,211.48	154,618,68	\$17,527.03	100.44	19 101	270,689 08	281,003	35 234	173.18	300,178,43	100,588,43	387,168.82	47.34
A09	358,845.02	352,569,851	214,200.06	451112.00	495,529.04	A97.98	R: 98	192,313.00	183,294	51 194	199.77	81077.55	03,484.0	83,897 65	
104	388,517.55	301,307.46	313,464.55	422,388.23	474,445,28	478,97	2.20	154,325.74	185,537	46 166	342.12	/1,118155	71,508.07	/1,/58.15	34,15
- 83	217,559.78	213,509,05	214,644,23	290,754,26	308,216.04	307,88	4.47	116,513,26	117,083	16 117	825.04	101002.28	50,528,93	50,406.32	26.00
Contract with a	A TABLE AND YOUR	In which have a set	IT AND ADDA THE	The state of the second second	- The second second shorts	10000.00	1 A A	the subject and the state.	in work in success	telle in the local difference	Address of the local sectors o	a total and the	In these waters that	A Course of the last	Constant in a

The following explains the relationship between the two views:

		r											
1	1	From above so	creen capt	uze	C	Pr	-	China Manager	T	P			
	LANC	Net Lott of Ne	Clama I	Jam Pays	acol	Clining Te	ar ComPa	ymerkt i	a on	Total Claim	Can ogg go	00 500 603	
-	JURGE AVAIL	7,20	0,000,000			1 207 000	23		0.00		630,333.23 207.000.20	1 307 669 30	
Augus		7.5	2,008.22			1,387,563	20		0.00		387,653,20	3,091,691,60	
_	36940	7,15	5,800.10			2,081,631	46		0.00	4,	087,030,150	2,001,001,00	
	00:05	7,56	2,000.31			3,087,020	10		0.00	3	000 371 70	51007 1020.15	
-	NOVOS	7,43	3,854.00			4,088,371	.13		0.00	- 2	100, 101, 100	ALC	
	Disc-No.	7,66	3,304,00			5,133,437	.40		0.00	э,	133,437.75		
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-		Delow screen	capture	-	_			-					
	_	0	1			2	3		4		5		
JuHOE		690,993.29	694,37	11 11	69	7,769.46	971,19	7.54	975,	947.91	980,721.	51	
Aug-Ut	2	693,296.09	696,58	37.17	70	0,094.84	9/4,43	L15	9/9,	200.35	983,989.	86	111
Seput		687,234.97	690,55	96.41 10.4F	69.	3,3/4,28	965,913	5,19	9/8,	539.72	975,387.	36	
UCHUS	) 9	723,131.36	720,07	07.10	13	2,242.30	1,013,17	0.31	1,024.	163.37	1.023,173.	41	
Dor Di	p	713,337.30	710,0,	12 04	70	4.001.67	1,003,41.	3.27	1.000	331.00 50# CE	1.013,272.	70	
Las-07	P	703 675 93	707.11	7 79	71	4,001,37 0 576 A7	999.02	2.11	0031	369.67	999 721	99	
Fab.07		E19 491 54	622 53	11 72	67	5,575.47	870 70	1 30	874	960.07	879 239	76	
Mar.07		E88 272 79	693.61	10 17	69	5 943 83	956 12	9.78	960 1	ADE 45	965 505	99	
Ane07		656 434 71	659 64	5 49	66	2 871 98	922 62	5.13	927	137.91	931 672	78	
May-07	7	654 791 33	657.35	14 08	66	1 212 49	920 31	5.35	324 1	116 84	323 340	34	
Jun-07		613,300.01	615,30	11.01	61	9,395.88	862.11	2.48	866.	329.28	870,566	12	
Fiscal	07	8,196,622.42	8,236,71	4.13	8,27	7,001.93	11,520,425	9.59	11,576,	778.86 1	1,633,403.	75	
		0		1	2	3	4		5	6	7		
	June-06	690993.291	694373	69776	9.5	971197.5	975947.9	9802	21.5131	378763.5	380616.1	-	690,993.29
	July-06	693296.0892	696687.3	2 70009	4.8	974434.1	979200.3	9839	989.8571	380025.7	381884.5		1,387,669.20
A	ugust-06	687234.9707	690596.4	69397	4.3	965915.2	970639.7	975.	387.3577	376703.4	378545.9		2,081,691.60
Septe	ember-06	725131.3556	728678	2 73224	2.3	1019179	1024164	1029	9173.408	397476	399420.2		3,687,020.15
Öc	tober-06	715337.2974	718836.2	2 72235	2.2	1005413	1010331	101	5272.776	392107.5	394025.4		etc
Nove	mber-06	756582.2119	760282.8	3 76400	11.6	1063383	1068585	1073	3811.369	414715.6	416744_1		
Dece	ember-06	703675.9299	707117.8	3 71067	6.5	969023.1	993860.7	9982	721.0059	395716.4	387602		
Ja	nuary-07	619491.6372	622521.7	62556	6.6	870701.3	874960 1	879.	239.7607	339570.3	341231.2		
Feb	muary-07	680272.7898	683600.2	2 68694	8.E	956129.8	960806.4	9655	505.9875	372687.1	374711		
h	Aarch-07	666434.7052	659645.6	5 6626	872	922625.1	927137.9	9316	672.7756	359820.4	361580.4		

#### STEP1 Undisc Claim Pmts(HIDE)

The Spread of the remaining portion of the Claims is linked into **STEP1 Undisc Claim Pmts(HIDE**) and lagged 1 Development Month. The lag is accomplished within the link. This serves to remove development month 0, the month the claim was realized, and the Net Claims Paid realized. This Spread is linked into the Claim Payment Phasing Lagged item where we apply an Unwind factor to arrive at an Unwound Payment. This is tab seventeen in the application.

Expert PressonColor   Class	Payment Table	She t Units	Gain Pair #	lided Trap2D	-Carfred	642	he Manathevel	(Hein) Trend	Angua De	a Treat Services	- Cale Tyre!	Nais 3	HANN
Y Connectal Harat Fast.	· · Lun	rt Panul Dated	2 ٢	Par		٠	¥ ()P						
Class Farent Flama Lager	AN DE COORCEUE	E36,857.17	500-596-41 0.947729	0,048 728,578,15 0,997776	11.00100 (18.635.79 (1.001700		5 22 21	172	His 07 633 800 17 6 0007708	10 and 10	10-001 80-992-08 7-887-00	119,382.00 0.982770	Fincal 07 41 8/236,714.12
Unwound Payment	603.383.56	\$21,505.74	685,560.39	723.364.44	712,504.24	π	24		678,615,16	654,835,10	\$\$2,195.01	611,986.28	0.176.540.01

The link uses the **Time Calc** tab as an allocation table and always lags the "Development Months" appropriately.

#### STEP2 Disc Claim Pmts (HIDE)

The Unwound Payment is then aggregated. So AG 0 would add up Development Months 0 to 25, but in AG 1, you would aggregate Development Months 1 to 25, and so on. This is tab eighteen in the application.

Y 150	A+N 99475241 99475241	Aug OC	P. Sea 06	2 7	Lamory Presid Claim		Name of the second s	And the second state of the second	C. And A. S. Street Stree			and a second sec	
1011-104 ×	44 81 194752 61 1954752 61	30geA	Sep-OE										
114047	18475241 18475241	1002 1014 81	and the second se	0046	1101-00	DH:OR	100.07	Feb 17	High 12	44-07	Haydt	Auri C7	Field 07
74047	三元42位11		343,558,70	TARE NOT BY	706.568.97	1.045.377.50	072,276.34	105.906TH	3(11,333)/05	987,002,03	508,733 30	347.516.64	11,325,391
4	the second se	367,834.41	645298.75	1.028.825.53	198.358.3T	1.045,377.50	5/2,296.34	85,958.03	101.939.98	967,202,63	604,731.36	1475IABK	11,325,200
0 E 7	-884752.61	987.594.41	548,558,20	1208.685.62	368.358 N/	1.041.377.50	W229534	\$5.9613	ADE 3335 38	987.0EE85	34.731 田	54751484	11,325,201
7	26 322 17	383.16773	164,743,41	102.167.85	225 888 701	8211,7878.286	373374.15	375.96553	381296.34	343,797,52	147,714,88	12572420	4,392,882
7	301.393.77	311613	364,5(3,45)	315.617.62	179.858.70	401,768.00	373574.15	30636543	361246.34	36:507.57	347.214.00	12572458	4.352.602
	363, 996, 107	3616213	164 545 45	THE CHITEE	1079-EE4-701	#10.7633E	201104.16	328.965.03	301,346.34	36550757	347,714,68	- 18.7%后	4,352,607
8 - I	158,211,53	188,731,831	100.000.000	163,509,73	TRUPTON	171,000,70	110.010.25	180,047.01	110,767,66	148.09034	100.027.12	130348.95	1,852,880
8	19.21.22	194,735,60	HHL388 EB	165.536.73	161,714,81	171.038.75	159,079,35	140.047.01	153,767.65	148.398.64	148,007 12	3688.65	1.852.991
13	156,211,22	TNE/781-80	198,388,591	16252877	161,014,61	120,868.75	1540年表	140.047.01	Retwie .	148.386.64	T48827 TJ	1898.00	1.852,940
11	22.623.93	75.9T9 AB	21,2278,02	27,211,74	312850	10.652.04	7510618	10,050.40	72530.01	10.989.29	REPORT	68.310.00	0/3.5/
12	P1673 93	73.912.45	73,229,22	77.311274	74,259.50	FR.6E2.04	75435.16	EE.060.40	7253091	13,589,29	68914.00	65.310.05	873,921
12	73,673,63	71.515.46	77,273,22	77,313,74	76,258.59	98.667 DJ	75.005.16	65.077.40	72,030,91	\$5,989,28	68,614,07	60,398,96	873,824
18	42.238.76	45.177.4R	13 512 67	df 2442.2K	41,248,63	48,790.46	4350343	28,312,98	42:052:04	10,098,76	10496.12	22.535.05	1016, 1021
15	4275.06	42,077,48	42,502,62	44 FAE 35	44,248,67	46.791.4E	43.5(543	3831258	42 002 04	45.0977G	40,496,12	37,996.06	EDE HOI
12	40.776.06	82 977 88	£1.600.62	44.846.75	43 240 52	46,793,46	4201942	28,212,39	42.07218	40.598.75	40496.12	2193.10	LUE SEA
12	24 440 54	24-49-27	24,024,24	35718.21	5 3916	3803.7	24.197.36	27,401,58	24122.21	23,35 84	2522346	25,254,08	238,213
10	24 90.14	W 586.21	34,502,54	26.718.21	352114	3.801 F	74.447.96	2140158	54,122,24	27/28/84	7210966	15 754 86	298.211
-	10.007.04	14 505 21	34 772 34	W.718.71	10.110.W	76,003,77	20 10 1 10	21.071.00	24.127.01	10 705 04	23.225.82	7.751.00	205.711
10	15, 500, 14	10.100.00	10.147.05	10.000.00	10 THE M.	70.676.46	15 606 10	114000	14.000.000	14 20 21 10	14 473 975	15414.22	100.001
3	85 506 GA	12,200,83	10.1110	17 001 10	10,722,76	16 875 45	12,020,021	11002300	14 990 100	14 466 15	14,404,60	12108.22	195.50
*	10,000,00	10.000-000	10 147101	The Local Division	10,100,000	10.075.48	20.000	1000000	14,007,000	VA ANT TH	14 6 7 101	TONTION.	THE CO.
	11.000 VI	10.00000	an Taking	10,000,000	200700-000	10.00 0.00	10.000.01	1.20120	2 10 000 000	40.000.04	- MODORED	Laboration .	1100 000
21 - I	14,004,10	TRACKING OF	100 000 44	11,00042	100,000,000	11,054,07	11,022,04	101 Tel 10	10,000,10	The second s	10,400,00	100.000.000	3 100,000
2	225.062.76	225.5(0,4)	222.026.14	18.30.91	2358(2.1)	240,447,12	228,21300	2012/31/00	2100020	21255523	215,230 00	TREAST RE	2,649,941
2.	10 00 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	000	a second second	a late size as	0.000 miles	a constant and a second	A COLOR MAN	000	10.00	0.00	0.00	The family state and	Contract of the
45.4	E COM COM CT	C Date Test Tes	1, 101, 231, 21	C. 445. 332.04	0.000 500 50	0.000.000.00	0.000.202.04	10,004,00001.000	1,413,300 L1	E COL AND TH	0,013,207,13	1,700,723.04	17, 101, 40
40.4	5.827.374.47	0.546.734.75	5.135.678.32	6.115.272.94	6.832.675.91	6.380.907.45	0.334.351.35	9.224.371.43	5.1.96.364.35	0.905.390.51	9.922.071.30	0.172.342.04	65.524.82
10 C	5 1 10 1004 32	0,130,107,00	6.110.110.30	3.191.307.08	9.310.001.27	0.0401/100.03	0,232,370.01	1 100 100 100	5,050,143.77	A.001.0001.04	* HER. 875 56	1 360 156.04	NU.DAR.171
10.5	4,163,312,31	4,117,253.58	4.168.555.23	4.300.386.08	0.020.002.00	* 580,391,33	4.200.023.72	3.750,437,27	1,110,420,79	3,9/4,092,68	3.354.143.55	3,733,442.00	41.022.BT
AU 4	3,229,559,70	3,239,383,17	3.210,319.51	3.380.064.55	3 342,303 37	3.535.013.83	3,267,817,38	2,854,479,24	3.170,489.88	3.867,090.03	3,058,411,61	2,060,327,36	38,237,401
48.9	2,273,007,09	2,281,384,76	5,261,429,00	2,06,143.02	2,353,914,35	5,483,636,33	2,315,541.04	2,030,521,21	2,110,529,01	2,160,007.30	5106679.63	2,010,412.72	26,912,991
AD 6	1,306,067 83	1,303,222.64	1.026.436.32	2 001 075 37	1.324,047.84	2.067.067.27	1.341.006.02	1,789,551.58	1,007,203.43	1,011,4351.67	1.000.364.75	1.652.688.13	22,515,43
46.7	1.039.928.96	1,546,060.01	1.531.552.87	1.816.007.71	1,194,180,94	1.886.098.22	1,568,192,74	1,380,581.95	1,916,937.15	1.462.312.25	1.455.243.87	1,366,363.54	18.295.70
AC II	1.172.908.29	1.176.3890.38	1,168,825,32	1,220,140.05	1,214,314,23	1,294,329,16	1.194.558.59	1.051.612.32	1,754,790.000	1,114,324,68	1.111.534.98	1.041,220.94	13,914,300
AE 3	1.016.779.97	1,029,156.59	1.011.247.01	1.067.011.12	1.852.559.82	1,113,250.41	1.935.440.24	911,565.31	1,091,003.14	965,326.94	363,587.96	1002.573.40	12,061,102
45 10	958,566,95	963,434.77	915,986.22	983,082,59	890,985.02	942,251.96	876,361,99	771,518,30	947,215,49	817,527.40	815,460.73	763,907,95	18,238,114
A6 11	794,755.64	796,792,97	700,524 54	738,152.86	729,170.41	771 212 11	717,283.53	631,471,30	633,427,83	668 129 76	667,453 67	825,242.30	8,255,122
AB 12	638,681.78	812,783.51	627,251.42	861,940.12	052.900.91	550,545.87	842,257.38	565,429.85	620,896.92	529,135.48	557,639.54	959,843.44	7,481,20
Afi 17	557.007.78	958,954.0F	653.978.29	594.526.38	576.631.41	609.878.93	967.231.22	499.370.49	548.366.00	%29.1%L2#	927,825,48	494,444.58	£.607.271
40 14	483.333.BS	494,344,03	410,784,95	507,212,63	500.361.92	529,211,78	492.205.06	43(3)320 85	475,835.19	455,160,91	450,911,41	429,045.71	5,733,341
A6 15.	440,558,75	442.062.12	438,282,37	462.365.28	456.121.28	482,420.32	448.685.63	395,007,11	433.763.06	438.563.16	417.535.25	351,7111.65	5,225,42
46 16	397,863,73	315.185.65	395.695.74	412.518.92	411,880.65	435.628.85	405.166.28	356,694 13	391,691.02	877,965,68	325,018.15	353,175.61	4,715,451
65 17	355,128.67	316,317.17	353,137.17	372,673.94	367,640,01	388,837.48	361,846.78	316,301.15	343,638.96	337,387.65	336,523,65	315,740.56	4,212,565
AG 18	338.621.13	381,722.96	328,822.88	346.955.25	342,265.07	362,083.01	336,689.42	296,409.57	325,491.67	314,005.81	313,299.56	293,485.71	3,521,851
AG 19	306,713.00	307,133.75	304,448.64	321,236.94	336,886,12	376,369,87	311,732.02	274,838.00	30,34.36	290,003.97	290.075.94	221,730.97	3,673,341
AU 29	291,006.00	202.544.54	200,074.40	295.518.62	291.527.17	308.326.04	286,774,72	252,466,42	217,231.85	267,522.12	201.052.15	263.926.02	2,342,421
AG 21	266.376.23	267,263.95	264.527.88	279,338.37	325,768.7#	291,668.55	2/1.265.25	228.012.59	262,243,50	25(1)8(1)98	252.430.46	236,4581.01	3.358.771
AG 22	251,144,39	251,903.35	245,780.48	253,554.11	250,934,38	274,385.15	255,755.98	225.350.63	247,249,95	230,565.03	237,000.53	222,932.99	2,575,321
AU 21	251,148,29	251,983.36	249,798.49	263,554.11	259.954.22	274,395.85	255,755.98	225,158.81	247,249,95	231,565.93	217.988.53	222,927.55	2,879,121
A6 24	225.082.36	225,332.47	223,858,14	236,282,41	333,012,12	245,447.13	229,213.57	201,791.60	221,590.29	213,925,34	213,290.03	199,801.08	2,669,541
AS 29	0.00	0.00	8,00	11.00	0.00	0.00	11.00	0.00	0.00	0.00	11.00	11.00	

laure ......

#### STEP3 Discount Unwind(HIDE)

Tab nineteen: The aggregated total is then linked into step 3, which by month and for the aggregated Development Months, multiplies the aggregated amount by the Monthly Discount Rate raised to the power calculated in the **Payment Pattern** tab. This yields the Claim Expense Provision which is then linked into OS Claim Reserve in the **Incurred Claims** tab.

Earned Premiers Cale   Cham Report Valle		Step 1 Under Chair Proto Prints		Shq 2Dec De	an Pote Hale)	Step 3 Discount 0	weild Blidg	Instanție	Clana Trans Analysia	nie Die fanfing		HEEH
Y Downers & Moor		denier and a state of the state	• * W	F.		Carrel PresdCie		2				
a second s		Aug 85	Lapedit	Di HUL	. h=-10	Dec-38	Jam 107	Fight .	Hardf	141.82	Magell	ture 62
Appropriet	A DESCRIPTION OF A DESC	5.940,794.73	1.796.079.32	E.HE.272.04	0.032,675.5	6.300,907.49	5.934,031.36	E.224.377.43	ET35.00438	1505,000.01	5.922/771/33	5.170.042.0
Monthly Discourt Fisle	100462	1.0049811	1.004001	1.004001	100408	FED031	1.05/631	1.034600	1.001007	1004851	1.004803	1,00,639
Pilon .	1.50	3.53	120	18.52	±1	6 1.00	1.94	1. 1.00	)/ (1,50F	2.50	1.00	:15
Christ Expension Provinient	5.878,181.40	5,683,744.32	5.838,253.42	6.160.153.82	6.876.996.0	8,427,377.64	5,977,823,87	5,262,754.84	5,779,187,75	5,578,596,50	5.562.635.68	5,210,8#1.6

None of the three Claim Projection steps have any need for user input and would be hidden in a deployed application.

An Excel View of above process:



We'll now return to our ordered progression through the application.
#### Expenses

The seventh *Blueprint* tab, **Expenses** is where users may, as in the **Revenue** tab, choose which method they'd prefer when linking in trend numbers. Having linked in the trend numbers, they may adjust them at the top level or by using a percentage or number amount. Trended in the **Expenses** tab are three rates used to calculate the Commissions on the New and Renewal business and the AMP Distribution Allowance Rate. AMP is a brand, with the Distribution Allowance as a different type of commission. The Trend default method, as in the **Revenue** tab, is Same Period Previous Year. Also contained in the **Expenses** tab are the DAC, or Deferred Acquisition Cost Movements. Since we have deferred recognition of Premium, we also defer the recognition of costs associated with that Premium. The DAC movements are calculated in the balance sheet and linked into the **Expenses** tab.

Revenue Carange Pattern Carant Yes	Care   1	Gun Fierant Fatter	1500 10	na Dara Cate	pe inca	ndOans [L	ipenna 840	behalts on Transfer	- Hulls	Lann.	Conversional P	with S. Longito	0 1	HERE
Y Dummal Nas Fed 🔹 Y A	ME		M Cumit	Foreitail	•									
Surger and s	Abethod *	lik-fil	feed.	Hor ST.	Apr 41	May 07	Jun 10	Fincal 07	JANT.	Aug-17	See 32	0.60	Rend	Dec-87
Qiosi Witten Freekin		80070.401	11,342,908	12.9.5.969	11:243.957	1121120	10.345.856	119,111,523	6305 AU	5/826.999	6.741970	5,283,174	5.321.412	428.23
the tes		612,245	755.405	M72,192	204.014	117.714	107.569	32,367,786	4/4.765	\$22,784	112,008	947,573	- KTE 7.M	16.74
WWF I Barberod		7,444,102	10,682,633	12,109,758	11.534.002	12,242,879	11.653.967	106,789,837	4325-940	4,118,715	4/28/214	4;312,962	4.192.679	1,399,664
Gene Elenet Preserve		16,952,999	1,545,957	10,491,607	18.122.711	10.111.914	1.102.851	126,934,788	3652,165	9,970,470	9,086,714	3,494,993	310545	8,290,680
Costs Entrant Prostars Altern		1.7230.000	LITTOCP.	1.413.627	1,371,203	1.231.071	8.125.828	30,149,469	1.074,228	1.025-571	THUT	1034(4815	345,875	196,781
Gass Corwit Frankin - Datased		8102790	8,135,900	5.075.000	4,781.441	8.018.423	134345	167,786,329	0.597.160	0.511.900	6.039.707	8,463,463	0,192,006	8,300 675
RefEarodPlenute		9677570	1391,411	8,868,709	1.535.955	1225.681	6,505,853	109.925.529	8,798,805	8,792,984	8,579,538	8,674,579	9.345.767	6.637.54
Total Acquisition Costs		1100386.5449	(155.044)	1513,8871	[175,600]	845,823	11.708.3225	(14.079,691)	754,891	B88,723	815,323	825.644	815,218	358,384
Net Communities		(6.095.522)	102,1721	(258.503)	(30.450)	6125,3611	806.0111	[658:50%.0]	374.736	441,711	#85,812	410.172	404,955	412.543
Consistent - New						Ű.	0	\$5.557			0	0	0	1
Commission - New Hate		0.003	8.002	10012	0.001	9.00%	9.001	0.528	0.00%	0.08%	0.00%	0.00%	0.08%	0.003
Contransist - New Role (2 Add		0.005	- D.001	0.003	1,004	9309	8.00%		0.00%	10.0334	0.075	0.00%	0.075	0.565
Communition - New Hote (% Adj)		0.033	6.001	2.002	1.001	0.001	0.001		0.001	0.00%	0.001	0.001	0.081	13.06/1
Consistent - Mala Pata (Ford)		- 10.005	20305	21875	8.0672	9187	0105		TAUL	2100	110.3	2000	0.014	9.643
Commission - Renewal	Same Pres	(Permi var			0.00	0		174,998			8	U	8	10.001
Commission - Honewal Hate	6 Month Ala	NAMP.	8.003	200.9	0.002	1.00%	8.002	0.167	0.007	0.001	11.007	0.002	0.98%	11.007
Connenser - Responsi Rate (Biadel	12HathA	/ers/je	0.00%	8005	8.08%	0.000	\$ 000%		0.00%	0.03%	0.007	0.0010	2005	0.003
Commission Renewal Rate IS Add			0.012	200.8	0.00.1	0.001	0.001		8 000	0.003	0.003	0.000	0.062	0.003
Correlator - Represe Rule Trends	Even trans	- uuu	0.005	0.005	3000	698	8.60%		a ann	0.011	0.825	0.001	1000	0.653
AMP Displacion Allowance						Ó	8	470,415	. 0	0				0
AMP Distribution Aliseancie Hote		0.001	8.001	1.001	0.000	10000	U.OUT.	0.35%	0.00TE	0.03%	0.007	0.000	0.001	11.000
AND Outputer Absorber See (LAd)		0.00%	0.00%	0.00%	1000	0.005	0.00%		0.00%	0.02%	0.00%	0.00%	0.03%	. 9.963
ANP Daniborgo Alicentrie Note (2 Ad)		0.002	8.001	8.001	0.003	0.003	0.001		0.033	0.06%	11.00%	0.0012	0.062	0.003
Add Contradict Alexandre Rain (Land		0.001	0.000	0.000.	0.061	0.000	BICE		0.00%	0.035	0.00%	0.001	0.001	18.953
Remarkance Exchange Convision	4. S	6.400	6=00	E.409	8,400	6.453	6.408	44,030	6.400	三三,400	6.400	6.400	E-490	6.40
DAC4 - Carwingsons		5,102,322	09.672	255.953	81.020	311.961	583,218	7,458,585	085399	1428-3111	63HE5123	1409-7725	058.920	1486 1421
Not Other Acquisition Casts		15.1000.62220	175.8721	1254.2501	UP1.750	1120.3811	1001.5111	12.376.3980	30013796	447.811	410.312	415,472	410,255	4117,242
Ubo Acaster Loto		3.700	3.00	1.700	1.00	1.767	1.718	25.900	2,700	1,00	3,700	3.700	1,00	2.74
UACA - UNIN Acquiring Code		5.102.322	18577	201363	10.060	101.81	100,271	7,450,626	08.381	(428-361)	1011111	3433/3723	058.500	1446.1408
LAT Adjustment		- D -	D.		-	0		0	0	0	0	0	0	
Levies & Charges		0.000	0.000	3.000	3.000	6.602	0.809	16,010	8,000	6.000	0.000	0.000	6.000	0.030
Hartgeberd Ligences		201000	20.000	38,000	50.000	30.003	70.000	210,000	30.000	32/CBC	31000	30.003	33.000	30108
Tutal Operating Exponent		DR.156.544	[129,044]	1402,0071	[345,600]	1815,8221	[1,758,222]	[13.069.021]	794,931	918,722	845,322	155.644	045,218	1,120,304
Clean Handra Exercit		p	Ω.	1		9		Đ	D	0	0	0	0	
Tatal Acquistant Expense Hales		(105.253)	12.0037	(5.523)	12.063	57.8231	125.9037	(12,0130	8.585	10.113	1.95%	8.675	8.77%	18.513
Net Commission Ratio		152,0633	(1.83\$)	12,9381	11.163	(2.944)	(12,993)	16,1951	4,255	5.02%	4.95%	4.73%	4.45%	5.724
Other Acquisitors Experime Rulis		152.0030	01.9733	12, 9383	11.10121	CT-BATES	112.9133	15.7130	4.32%	5.002	4.962	4.792	4.312	5,780
Levier & Change Bally		8 683	8.103	8 (213	0.995	8.18%	8.12%	0.953	8.835	0.033	0.005	0.025	0.183	0.650
Management Esserne Ratio		6 313	8,392	0.352	0.362	0.865	0.435	0.152	0.342	0.342	0.363	6.352	0.362	0.363
t stal & spectra finite		1104 1933	11.6231	13.5728	0.030	17.4641	125.4621	117 6720	8.972	10.415	10.215	9.1612	10.122	11.857

Other user-entered items are: Reinsurance Exchange Commission, Other Acquisition Costs, LAT Adjustments, Levies and Charges, and Management Expenses. The Expenses tab—unlike Revenue or Current Year Claims—does not have a Scenario dimension, since expenses are entered and not modeled.

#### BAU

The eighth tab in the Insurance Product Profitability Blueprint is **BAU** (Business as Usual). All the work done so far in the model has been in an effort to arrive at this point. The BAU tab is a consolidation of the information from **Revenue**, **Expenses**, **Current Year Claims**, **Incurred Claims**, and **Balance Sheet**. Besides the consolidation effort, there is also work done in this tab. From the **Claim Type Ratios** tab, we link in the Peril ratios that are used to break claims down into their respective components.

Up until this point, we have been working in the local currency. The **BAU** tab contains a dimension for Local Currency and Corporate Standard. All dimensions within this tab may be viewed in either currency. The currency conversion is based upon corporately established exchange rates. The Exchange Rate function will be discussed in greater detail below, when we explore the tabs that perform the actual conversion.

By virtue of the consolidation above, we are now able to calculate such items as the Net Underwriting Result, the Investment Income on Technical Reserves, and the Insurance Trading Result. Within the **BAU** tab we can also make any Market Rate Adjustments as necessary, entering JV (Joint Venture) figures, entering Sub Debt Charges, or Investment Income on Shareholders Funds.

Revenue Earlings Paters	Current Versicianer	Date Fag	nord Patern	Pin WebC	Intercaretory	montedCity	ni Esme	EAU H	resent even	- PORTALOH	Cornel	diard Plot LL	54000	RIGE
Y LocalCorrey	T P Lamfa	ecat,	- 9	Corres	ellista Norr	er + + N	414	el::::::	•	-				
		1406	migth	549-05	0046	Nor X	Cw100	Junit	Televill	Maritir	April.	MigHZ	11.31	Fixed B/
Gene Within Plenson		4,474,008	36190036	4,417,658	\$806.515	4.234,744	3.097.934	1.798,549	4,635,546	9,298,901	3,373,674	3,713,496	5810054	48,764,51
Total Exposure		181815	R.471	10,559	8,825	8,589	7,127	1,556	6,947	B.130	7,203	8,475	13,073	91,29
SEAP-New		1.054.208	8,5,431	1.625.201	606,311	068747	811.179	794,318	397,996 :	2.12.014	214.829	367.775	358453	8.188.15
Espences New [Not]		7,442	2,045	2,352	2,316	1,395	1,765	657	011	668	613	847	633	17,33
Parage-line		1.065.1/9	673.672	1.070.560	£55,375	005.327	B27.908	68+537	1606.624	332.190	240.072	394,409	301,014	8,835,40
Avenue Plenkan, Kon		417.6	381.4	432.5	379.0	410.2	454.8	155.4	841.7	177.5	378.0	408.3	SHEE-	62
Equates Here		C2998	2,231	2.ATE	2.88	10102	1,808	1.321	· - 030	000		903	1.000	1,625
Endurant Prevent Merel		2,929	000	1.490	752	8,465	2.530	5.011	102.019	221	629	100	706	(21.700
Avenue Patrice: New Fishmorem	(	22.5	00.00	43	23	18.3	121	24.6	171.0	13	43	11	6.8	17.4
Equars MassEntmoved		126	2100	046	377	30	- 19 <b>1</b> 1	- 236	1996		1147		110	2.53
Endssoner Rule Intel		0.525	0.94%	1545	1.67%	1.484	0492	8,532	2701	0.992	CARL.	0.913	11754	1.703
Carolisis/Series Nov		35.497	47.525	47.000	42,715	35545	31.142	836,237	177.545	81.407	25,672	268/2	12 655	625,825
Avelope Prene an - Kon Concellation		- 215.4	256.2	#13.7	263	- 292.5	1051	337.9	494.2	- 294.6	225.5	197.9	246.6	293
Exposure - New Caronhubos		157	100	114	171	168	111	214	- 340	212	119	126	132	1.21
Coloridanitials New		1000	0014	0.51%		11.74W		1,411	1.63	1.114	0.084	0.834	0.91%	8,915
GWP-Deteriol		1412,022	2 /1386h	1220/452	25/0.768	1.84.22	2,282,895	1014030	1011392	1466,000	3764,065	10203707	3403.4.8	48.576.25
Language Removal Metti		8.377	8,425	7.792	6,201	6.612	5.02	2.740	4.038	7.462	6.671	2.578	12,105	01.96
Planka'- Ranavai		2.060,275	3003857	3632526	2,145,228	2.544.005	2,453,578	3.6/3.006	4,431,342	2,611,746	2.301.002	2555201	5.051,054	43,717,463
Average Premier - Historial		350.9	419.0	4297	420.11	481.1	357.2	181.2	E15.6	435.5	446.0	421.9	436.8	463.
Equally - Revenue		3,331	7,385	8251	2,485	7.863	6.782	-0.000	1.400	8.393	7,403	8,417	0.328	82.36
Exposize (Real Data and		2.191	1622	2,114	1.011	1.854	1.428	1.522	1.700	1.889	1.203	2,000	2140	20.51
Official (Nov-Fiercosc)		2.67.0	208	178	2374	1.329	1.868	1.792	210	1,399	1.668	2642	2250	27.51
Lann Porsian, New Forcesal		180,758	110,004	- 262.783	129.794	328,009	10000	501,000	481431	2.02.007	180,457	270.577	252,905	3,704.55
Lighter Experience - Hiles Ferrmani		5.0	446	625	583	678	11440	ESC	1.00	910	-45	142	011	6.99
Lagare Hule: Nava Merconal		318725	1230	22.77A	10100	71.975	23360	37.85%	49,700	21,278	TO NO.	24.2500	1270	25.411
Espones Revenue Revenue		7.236	\$701	6.630	5.6m	5515	4.711	2.070	4.81	6.404	6.120	8,417	10,001	72.64
Ortest Renaval Renewal		8.660	7.037	7.709	6.955	6.500	1000	4130	7572	7.899	2.309	7524	1115	89.938
Lance Parcelos Hammont Hampoort		352.051	104,040	6363477	515.447	475.29	421865	102417	2416-201	880.729	will tell	449245	10/0.626	2,310,215
Lights Exposing - Deserved Darwood		1.475	1,277	1,271	1.225	989	1.969	1,021	2,211	1.287	1,169	137	7,357	17.25
Lans lide - Renind Reserved		36.463	18145	16.495	12.0%	75.29%	12234	25.445	42.413	36.741	16.261	15064	16.361	19,237
Endousneer Prevales Persons		188201	(456)	8,371	2.015	15,568	2.226	(38):1401	(8,260)	0.967	3,063	(00)	5,5,14	(5,305
Average Prenaux - Received Criticities	nat	10.13	00.95	11.0	. 25	10.0	32	de bi	14.22	16.7	55	10.21	.716.0	
Equal: Forest Endorment		-64	497	EEE		1.002	. 758	005	1.085		463	576	450	8.42
Englishment Flate - Trenende		.8.005	1577	U.m.	1072	1,08%	144	0.975	E8W	0.651	6.583	U.GTR.	6541	8.773
Concellator Promision - Personal		244,808	200.498	236725	174.342	190.469	154.1/5	504.00	THEED	196,425	140.200	194,719	2,4,056	3,325,80
Average Presare Historical Courses	for .	242.8	3120	271	201	3917	236.8	611.0	376.8	188.4	101.3	272.1	238.1	280
Exposite (Removal Exception -		1.000	257	254	222	357	808	1.322	1.428	830	723	835	112	11.19
Constitute Report		1.8%	1025	0.815	0142	8.8%	0.060	1,479	155	0.954	0.845	0.9/%	102	1.88
Drive Lanced Prentient		1968431	3120326	3315.321	1336.363	1003047	4.178.234	3.695.205	8830,790	4.495.223	4332.798	4,362,939	6133.636	45.896.52
Genue Lamar Piercust - Man-		052,740	671,022	710.234	207.068	025,102	005,269	051,790	407.5m	871.303	100.465	310,563	234,334	5,328,72
Gross Eatroc Premiers - Premiers al		1,05.001	2.08.000	1,596,000	2.530.048	1.048.660	3201.874	3.883,701	2010.195	3.821.014	3.408.340	2,545,956	3.408.070	36,407.80
Net Except Premiur		2,303,403	3112.042	3298,441	3711,279	1.407.404	4300.034	3,00,477	3,463,845	4.462.937	6317,967	4.340,778	4307325	45,527,685
Total Plantance Postan		10,139	16,206:	16,676	17.125	18081	HINEF:	17(592)	31547	16/06	15,009	16.739	11.100	215,441
Propertienal FI		0	0	10.00		120.0		0	11	0	0	0	P	
Proatienel FLB and		BRIN	0000	003	0.005	10.000	LINK	0.65%	710.0	Diam:	toux.	10.00%	0.00%	8.00
Manaripations Til		0	D	0.00	2 1015 <b>1</b>	0	0.00	0.	10	0		0	0	Siles i
Navanautions III Flate		- BORTA	100075	HINTY	0.00%	8.00%	- 1.011	ALCON.	dary.	0.005	STREET,	HOUN	SUCCY.	8.00
FasternP		20,138	16.39E	18.875	化活	13.011	10,051	17,092	21347	16316	15,209	16,733	11月日	215,44
Facility of Falls		0.002	3.453	11 155	D.Atta	8.4512	2.45%	323.0	0.855	0.451	0.002	0.002	0.45%	0.457
TenantsLow		U	U		1				U	B	U.	U	U.	1211
TexamilaryRate		HARE.	0.002	BER.	0.005	8.005	5105	0.835	0.035	0.005	0.001	0.00%	0.000	8.002

As noted above, the **BAU** tab serves as the target of the **Revenue**, **Expenses**, **Current Year Claims**, **Balance Sheet**, and **Incurred Claims** tabs. They come together as the Current Forecast. This Current Forecast then links into the Difference Initiatives tab in the *Insurance Product Profitability Initiatives* application in order to begin the Difference Initiative calculation process.

The second application associated with the *Insurance Product Profitability Blueprint* is the Insurance Product Profitability Initiatives application. This application, by means of a system link, brings in the Current Forecast from the **BAU** tab in the *Insurance Product Profitability* application and links this data into the **Difference Initiative** tab. The Insurance Product Profitability Initiatives application is used to calculate both the new initiatives or Initiatives and the Difference Initiatives. Those selected to be included in the Current Forecast are linked back into the **Profit & Loss** tab in the *Insurance Product Profitability* application. The *Blueprint* is split into two applications for both speed and efficiency gains. The *Insurance Product Profitability Initiatives* application will be discussed in its entirety upon completion of the *Insurance Product Profitability* application.



### initiatives transfer

The ninth tab in the *Blueprint* is **Initiatives Transfer.** This tab serves as the interface between the *Insurance Product Profitability Initiatives* application and the *Insurance Product Profitability* model. It is the target of the initiatives selected in the sister application. Once linked in via a system link run by users, the information is disseminated to the **Profit & Loss** and **Balance Sheet** tabs. The application administrator may elect to hide this tab, but by leaving it available as a Read-Only tab, users may view the breakdown of the Selected Initiatives between Difference Initiatives and Initiatives.

Prior Year Claims Cashflow	Incurred Claims	Expenses BA	U InitiativesTransfer	Profit & Loss
Fleet	💌 🔭 Fisca	107	* * AMP	
	1	BAU	Difference Initiatives	Initiatives
Gross Written Premium		119,151,623	19,719,146	48,000,000
Total Exposure		224,102	0	48,000
GWP - New		12,367,786	2,650,224	48,000,000
Exposure - New (Net)		24,611	0	48,000
Premium - New		13,251,120	2,650,224	48,000,000
Average Premium - New		475.3	95.1	1.000.0
Exposure - New		2,100	2,100	4,000
Endorsement Premium - New		235,482	0	0
Average Premium - New Endorsemen	C 🖉	55.9	0.0	0.0
Exposure - New Endorsement		4,211	0	0
Endorsement Rate - New		17.48%	0.00%	0.00%
Cancellation Premium - New		1,118,816	0	0
Average Premium - New Cancellation		342.3	0.0	0.0
Exposure - New Cancellation		3,269	0	0
Cancellation Rate - New		13.452	0.00%	0.00%
GWP - Renewal		106,783,837	17,068,922	0
Exposure - Renewal (Net)		199,491	0	0
Premium - Renewal		113,792,813	17,068,922	0
Average Premium - Renewal		520.2	0.0	0.0
Exposure - Renewal		218,743	0	0
Exposure - New Renewal		38,995	0	0
Offered - New Benewal		48,754	0	0
Lapse Premium - New Renewal		5.081.466	762 220	0
Lapse Exposure - New Renewal		9.759	0	0
Lapse Bate - New Benewal		20.022	0.00%	0.00%
Exposure - Benewal Benewal		179.748	0	0
Offered - Renewal Renewal		209,114	0	0
Lapse Premium - Renewal Renewal		15,291,116	2,293,667	0
Lapse Exposure - Renewal Renewal		29 365	0	0
Lapse Rate - Renewal Renewal		14.042	0.002	0.002
Endorsement Premium - Renewal		798,500	0	0
Average Premium - Benewal Endorse	ment	510.4	0.0	0.0
Exposure - Benewal Endorsement		18,401	0	0
Endorsement Plate - Benewal		13,162	0.002	0.002
Cancellation Premium - Benewal		7.807.477	0	0
Average Premium - Renewal Cancella	ition 📕	405 5	no	0.0
Exposure - Benewal Cancellation		19 252	0	0
Cancelation Bate , Beneval		13 792	0.002	0.002

## Profit & Loss

The tenth tab, Profit & Loss, brings together the Current Forecast from BAU with the Selected Initiatives from the Initiatives Transfer tab. Selected Initiatives are those Enabled within the Insurance Product Profitability Initiatives application and then linked into this application. Initiatives and Difference Initiatives are combined when linked into Profit & Loss. These two items are added to arrive at a Total Forecast. In the Profit & Loss tab, Exchange Rates may be linked in from Exchange Rate Lookup to convert the local currency to a corporate standard.

Management gives feedback to planners in the "Target" item. A Gap is calculated to let both parties know any variance from corporate goals. This tab may be used as a collaboration zone to close the Gap between the Target and the Total Forecast.

Philar Year Claims Cashillow Incun	red Claims	Expenses	BAU	Initiatives	Transfer	Profit &	Loss	Cone	olidated Profit & Loss(0
Y Local Currency	Piscal	07			Co	mercial Mo	tor - Fleet	•	THE AMP
	5	IAU	Selected	Initiatives	Total F	orecast	Tag	ct	Gap
Gross Written Premium	119	151/623	67	719,146	186	.870.769	121.2	29.480	65.641.289
Total Exposure		224,102		48,000		272,102	2	20,347	51,756
6WP+New	12	,367,786	50	650,224		010,010	16,7	94,887	46,223,123
Exposure - New (Net)	200	24,611		48,000		72,611		25,24	47,367
Premium - New	13	,251,120	- 50	650,224	63	.901,344	17,6	58,788	46,242,556
Average Premium - Neve		475.3		1,095.4		928.0		620.5	1 303.4
Exposute - New		2,100		6,100		8,200		2,152	6,040
Endorsement Premum - New		235,482		0		235,482	2	30,381	5,181
Average Premium - New Endorsement		55.9		0.0		55.9		56.5	35.5
Exposure - New Endorsement		4.211		0		4,211		3.78	424
Endorcement Rate New		1.37%		0.00%		0.72%		1.433	(0.91%)
Cancellation Premium - New	- 11	,118,816		0	1	,118,816	1,0	94,202	24,614
Average Premium - New Cancellation		342.3		0.0		342.3		342.3	3 0.0
Exposure - New Cancellation		3,269		0		3,269		3,197	1 72
Cancellation Rate - New	ALC: NO.	13.45%		0.00%		13.45%		13.073	0.39%
GWP - Benevial	106	,783,837	17	068,922	123	852,759	104,4	34,592	19,418,166
Exposure - Renewal (Net)		199,491		0		199,491	1	95,103	4,389
Penkim - Renewal	113	792,813	- 12	,068,922	130	861,735	111,2	89,371	19,572,364
Average Premium - Renewal	1.11.0.07	520.2		0.0		520.2		520.2	2 0.0
Exposure - Renewal		218,743		0		218,743	2	13,931	4,812
Exposure - New Renewal		38,995		0		38,995		38,137	/ 858
Olfered - New Renewal		48,754		0		48,754		47,681	1,073
Lapse Premium - New Renexal	5	.081,465		762,220	5	.843,685	4,9	69,673	874,012
Lapse Exposure - New Renewal		9,759		0		9,759		9,544	1 215
Lapse Rate - New Renewal		20.02%		0.00%		20.02%		20.022	: 0.00%
Exposure - Renewal Renewal		179,748		0		179,748		75,794	1 3,954
Othered - Renewal Renewal		209,114		0		209,114	2	04,513	4,601
Lapre Premum - Renewal Renewal	15	,291,116	2	293,667	17	584,783	14,9	54,711	2,630,072
Lapse Exposure - Renewal Renewal		29,365		0		29,365		28,715	646
Lapon Rate - Renewal Renewal		14.04%		0.00%		14,04%		14.042	0.00%
Endstsement Premium - Renewal		798,500		0		798,500	7	80,933	3 17,567
Average Premum - Renewal Endorsement		510.4		0.0		510.4		510.4	0.0
Exposure - Renewal Endorsement		18,401		0		18,401		17,997	405
Endorsement Rate - Renewal		1.09%		0.00%		1.09%		1.163	0.32%
Cancelatori Premium - Reneval	7	807,477		0	7	807,477	7,6	35,712	171,764
Average Premium - Renewal Concellation		405.5		0.0		405.5		405.5	5 0.0
Exposure - Renewal Cancellation		19,252		0		19,252		18,821	424
Cancellation Flate - Renewal		1.14%		0.00%		1.142		1.213	0.35%
Here and the second	1.000								

#### Consolidated Profit & Loss (000)

Tab eleven, **Consolidated Profit & Loss (000)**, is a consolidated P&L that includes two years of history, the Budget, two years of Forecast, Previous Forecast, and Previous Budget. It also calculates a number of variances, both dollar and percentages for PCP (Prior Comparable Period). The two-year Forecast numbers are linked in from the **Profit & Loss** tab within the model. All other numbers are uploaded into the model.

When forecasting within the model, Trended numbers and Growth rates are based upon actual data that may not yet be fully mature. As there is a lag period between the time when policies are signed and the time when agents process their paperwork, the company must estimate both sales and exposure for current and recent periods. As time passes, adjustments are made as necessary on a best-effort basis to provide the clearest picture possible. While in forecasting, reasonable estimates are used; within the Consolidated P&L only booked revenue is recognized, that is, revenue that has been written to the general ledger and is used for reporting. Therefore, the actual numbers used as a basis in the forecasting portion of the application will be different than those displayed here in the Consolidated P&L.

EAU Indiation/Transfer Profit.1.Loss 0	Consolidated F	valit & Love	(000) Eserce	Shert Technol	Paimeten   Ger	esi Asuepiera 🛛 Eare	dPremuniCas	marri Table	RRE
🐨 Fossee Taniat 🔄 🐨 🐻 Da	sarrescel Hebr	19-0 •	3						
A CONTRACT AND INC.	HT JKS	HI DUCE	Tistal 2006	H1 200 <sup>o</sup> Forecast	PG 2007 Feature	Teld 2007 Forecast	pep H1 2007 Forecard	an H2 2007 Ewecart	pep Total 2007 Falacad
STOLE WEDE FREE T		20,132	410,303	alls bir	101100	900.179	[2.2.6]	1.000	10.10
ONCH COC PERMIT	- CUM	the later	1.248		The second se	1/8.3991	114.0004	3.396.134	11.304.10
President Color Mi	10000	1000.000		100.000	100000		0.004		
Transfer & Arrist Pressen		200,203	12.000	200,717	100,000	100 500	Charles -	1 100 510	10.25
Mod F 199 - F Indexiden	10100		10.030	1000	100 000	100,000	Protein	1,000,000	and a
ner cabes (minun	616.201	-200.410	410.013	210.241	115.640	- HOLENYE	10.0041	112114	
The second se	Concerner,	Veryance	YORK OLEY	H M - Start	1102-0020	10000-0000	10.004		
Joint Blancing and Charles and	(LILOUIL	10,000	1214-3101	110-200	1 1 2 0 3 2	1300.779	1000 00.000	101 200 6191	
These Produces Lidences				(	1035		5.00.004	100.000.014	
Column 1 and a second second						1	0.407	0.003	
Planet Mark Francisco	102,2400	:	CALL CON	0.000	N TRA	10.000	14.147	100.011	200-20
Mint Recorded Claims	1115 550	100.100	1214 (220)	4101.0141	12 22 0400	In stary	27.165	34 573	1000
Well Present of Course	1113.304	figration!	(Aristoro)	funtrated.	The second	- Martinet	0.407	10.000	
Total Loop Antonio Postar	10.00		117 9161	100000	10.000	9.00	100 847	1100 0720	1117.42
No. Contraction of the	1210551	12.500	14 25 31	115 262	12.000	Th plant	1000 05.7	1.00 0.00	100.00
No. Company Read	(2147)	12 (01)	(4,639)	10.040	15.707	20.720	15 184	121 212	1112 08
	10.000	10,000	19.0281	10.000	10.00	413 3411	117 100 100	1000 1000	1000
		1000	in section of	i incast	100	1.0.0	111,100 112,	A 6017	0.00
A CONTRACTOR OF THE OWNER	10.000	Califul .		6.000	16121	1000	10.000	1000 200	2
New Converting and an inclusion	10.000	10.1043	113,1821	0.00	1100	1.134	14 2221	VILLES .	1 Invites
Mandawax Fibieusi	306.1 03	(12.0.00	(30.853)	10.020	12.0440	\$24,2723	25.10%	- further	100.30
Forai Operating Kaproney	tise used	155,5001	(51,760)	107.000	1000	471,442	12.121	1100 161	
	1000	-	100.000	Contraction of the second	11000		0.001		-
Hut Ordenseiling Renst	12,122	75,850	151,973	[28,309]	12,545	51,781	Tran (sec)	121,493	100.02
investment latitude on La Parte Sandryp	- 01.145	02.664	108,783	08.403	2.945	341.321	1.175	161.561	1.06.16
Investment Manager	100 400		0.000		0.02000		6 HDL	0.000	
Insurance Linding Reput (1111)	127,417	133.339	250.756	30,464	05.636	114,152	[/6.092]	137.273	
Insurance Flading Result (exc) L1 setures	122,417	130.339	200.090	30,464	00.000	TIALITY	1/6.0001	10.24	100.24
The second se					1.22	Contraction of the second	0 80 5	0.001	8.0
Other Income Managed Funds	a	0			12,2010	(22.001)	0.005	0,001	6.0
Motogait Futula (Factor)	8	: 8			1000	a de la compañía de l	0.005	11.001	6.0
Managed Full Examples			9	i		(2:301)	0.088	0.001	60
Other Income Joint Yerdures		- 0	u.		10.70508	117850	0.00%	0.001	8.0
AV-Equiprocase			0		:	0	0.90%	0.001	0.0
Will Neverue			u			- U	0.007	0.001	
"W Expiritors			u		(1.838)	[1.928]	0.00%	0.004	0.0
Brown and Tecanor on Sitra Hokbur Punds			u				11.10%	0.001	
Ofar More Hotellarina	I. CARLEN					2	0.001	1.001	
Operating Prolit Before Tax and Funding	127,417	133,339	260,758	30,464	75,410	109,873	[58763at]	[41 453]	[57.0f
Eutr.Det:: Drege			п			n	0.00%	0.003	0.0
Operating Profit Defore Tex	127,417	130.333	200.756	30.464	75,410	100.673	176.00%)	142 453	57.0E
*							0.005	0,001	0.0
fill Expense Balia	1.982	0.962	1.954	0.991	17.60	9.37%	10.8833	1,85.331	830.7
Geore Lens Habe	51.514	46,114	40.364	积.73年	62.841	76.164	74.194	31.313	17.9
Het Cour Platin	54.475	48.115	21,329	33 552	75-244	45,673	71.714	710 1141	10.00
CHE Ratio	2 463	2.555	2102	7.003	- Olux	1.455	17.413	177 191	16.40
Acquisition Exponen Flates	3.92%	4.555	4.20%	10.55%	(14.23%)	(0.02%)	160.09%	(405.301)	(110.16
Manageount Expense Ratio	7.625	8.56%	8.095	1 891	5.101	6.362	29.691	074 395	C (21.40
Total Expense Ratio	11.54%	10.21%	12.07%	20.44%	02:0433	5,943	(22.664	(191.132)	C/5.22
Combined Operating Flatter	642.9112	61,32%	63.705	111.991	104,233	10,153	72.68%	4.741	41.1

## Balance Sheet

**Balance Sheet**, the twelfth tab, has two trended items. As in previous tabs with trended items, users may select a trend method or accept the default of Same Period Last Year. The user may also adjust this Trend item directly or by either an amount or a percentage. The only other decision to be made in this tab is Additional Prudential Margin, if desired. The **Balance Sheet** tab is the target of a number of tabs. The **Incurred Claims** tab is the source for the current and prior period claims as well as most of the reserve items. The UPR (Unearned Premium Reserve) is brought over from the **Revenue** tab. There are also a number of General Assumptions linked in. In addition to the lookup link for the trended items, exchange rates also are brought in, since the **Balance Sheet** is expressed in both local currency and the corporate standard currency. The **Balance Sheet** also has a link into it from Initiatives Transfer which brings over all the **Balance Sheet** items for the Initiatives and Difference Initiatives. We shall cover Balance Sheet Initiatives within the *Insurance Product Profitability Initiatives* section.

M/ bilebecturate   Pail 31=	e Capa	interest Profe 3.1.	antin a	dates Sheet	Terristellaren	int   Served	Amanton	Louisvin	Cd.   Gent	amentale	Ê		HREE
Y LocalCounty + Y	Lawrence	Motor-Test		P	- 7	( <b>1</b> .4)		-					
11	Hattoo:	h400	Augús	Sep-96	01100	Horot	Out 06	340.07	Feb 07	Mar 67	Aur 17	Hu-07	Jan 87
Tatal Tech Beserver		87.500,906	91.649,140	1 94,685,471	96.395.630	16.420.238	93.640,692	80.291.257	04.304.391	\$8,256.114	89.830.879	93.174.XHZ	100,532.
Tetal Claims Provisions		7,536,613	15,600,257	21,368,545	20,332,403	31,102,404	34,707,426	37,035,329	30,019,660	30,243,445	40,043,410	40,731,174	40,863,
Not DSC Provision Ins PM or CHE)		8,882,882	0.42455	17,587,940	22.187.4/E	25.665.358	28,588,825	30.523.878	31,293,383	\$2,300.544	12:904.776	13,524,858	33.635
CHE Hearty -		102:394	30423	@(.25)	<ol> <li>#4577</li> </ol>	711218	201.412	015.70	107.136	1043823	111100	1238360	627
Phatendo 11 age		1,221,217	2.106.4/1	1. 1.11.11	4.755.007	1388.327	1000000	B.CH.S.III	11.071.1711	1046378	11771-018	6,217,788	1.257
Additional Photon ( Margini		11		1. 1	0 00	0		-D	U.		. 0	.0	
Total Other Provisions		79,983,187	75.553,074	73,769,928	101,4201,208	65,237,746	3413000.266	45,175,147	46,888,723	49,002,683	EL707,400	52,442,158	20,100
UPR .		79/662 190	76,353,67	11.316.023	59,423,236	65.237.ME	60.272.589	57/720/104	53 SHE 104	\$1,385.637	62.234.307	15 (50.047	74.58E
Premium Debtore				1	0		0		.0		0		
Premium Distance II also		- 0.00V.	8.001	1 1000	11000	11007	100	2007	0.00%	0.00%	0.000	0.001	0
BAC - Commission			10.000	ы °11	0	1.00	889,556	9,772,018	5.860,550	8:125.504	6.773,434	E.555.395	7.458.
DAL - Commissions / UPTI		0.002	0.002	· #.008	\$380.0	0.002	1.113	16.002	10 982	10.002	10 0000	10.002	100
DAC - Company / UPH III Are		0.00%	3.825	0.001	10.005	0.00%	4.012	9.002.	0.00%	0.00%	10.0012	0.000	- 0
DAL Commission / UPH (Intent)		DUR		1000	Link.	0.005	1.114	10,007	10.00%	100.5	10.002	10:005	10
BAC Other Acquisition Conta		110.00		E 2000	i (200	1. 10.25	663,656	5,772,018	5,850,590	6,126,584	6.223,434	6,555,315	7,458)
DAC Other Accountion / UPS		8.003	0.965	8.003	0.003	8.003	1.112	10,003	10.00%	10.003	10.00%	12.00%	10.
CAL-Other Augustation / UPW /# Aug		0.000	10.023	11000	0.000	0.00%	0.001	0.005	0.00%	0.05%	0.003	0.00%	0
DAE - Other Arts autor / UPH (Text.d)		0.005		0.00	tt berit.	0.005	1.072	10.00%	50.023	10.005	10.000	10.003	TO
Productive Harons rates		18.222	18 223	18.223	18.223	18.222	18 223	18.228	18.22%	18.22%	18.223	18,223	18.
Investment Incrume on Lock Business			10.00	A 266	1			405,278	411.276	425,591	410.256	453,511	489.
Investment because them		0.005	8.485	0.00	0.495	0.495	9.005	3.695	11435	0.455	0.05	0.499	0

The **Balance Sheet** is a source of information for the **BAU** tab. DAC Movements are linked into the **Expenses** tab as the DACA – Commissions and DACA – Other Acquisition Costs which are used to calculate Net Commissions and Total Acquisition Costs.

14. hildenfort Protect	w tan	dates (Part 1)	mann a	alarate Sheet	Tabled Pase	ator form	Annetre	Lastheast	Cale   Chin	Penni 1.da	1		HARM
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Total Tash Beautyes	I	3.320.254	17.064.004	24.570.000	20.303.314	20,411,000	43,538,005	40.341.460	25,740,192	05.456.750	21,044,493	70,311,100	32,004,70
Tetal Class Provisions	11	24,317	150,704	410,285	880,503	1,250,297	1,771.871	2,210,026	2,632,344	3,307,457	8,812,3591	5,000,534	6.005.40
Net DSJC Prevenion pro PM an CHE		(H. 100)	100,001	10,000	101220	1.0398.107	3,548,102	2,501,284	2,307,056	2,058,954	2543501	4,381,042	6.00(12
CHE Basetys		324	3,213	10085	11,234	36,040	42,675	CL #85	65,390	28,471	19.344	120,239	10.21
Fladenika Malph		2.80	17.25	45.403	07942	132.040	1103008	221.677	395236	28,624	141.033	544,333	152.91
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Total Dear Provinient		3.305 957	76.995 330	24.357.295	38.117.311	25.291.631	38,913,024	44,837,583	\$3.113.75E	82.143.301	62.751.507	74.584.558	05.079.34
UH-		9.00.007	1E-505-300	24,157,785	311107.311	#.201 EB	38.911004	44 537 588	5,111,798	67,149,301	10.701.007	167561776	SEL179.34
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BAC - Constantons		n	<b></b>	0	0	0		0.00		10	0	0	
DAC - Commissions / UPPI		a ant	0.001	0.002	0.00%	0.062	0.002	0.003	0.081	1.003	0.002	0.005	8.03
DAC - Chevroneen F1/PR-01-6-5		0.00%	0.005	0.000	0.002;	0.001	0005	0.000	0.011	0.001	0 DMr.	0.001	0.00
DAE - Chrossens / UPR (Treet)		0.035	0.00%	1005	200.0	0.005	1002	17005	math;	0.002	0.067	0.000	DOD:
BAC - Other Acquisition Costs		0	0	0		þ	- 0	0	0	9	0	the state of the	
UAL - Other Acquisition / UP91		0.0002	0.007	3108.0	0.00%	0.003	10.0012	2011.0	0.007	8.002	2.002	0.003	9.00
USZ - Other Anguistion / UPTI-12.4dV		0.036	0.60%	1003	1110	0003	10.00	1000	10000	0.002	0.082	UGUE	1000
DAL - Either Applaceon / UPW Closed		0.000	0.003	0.005	0.075	0.002	BIRG	3010	- 10013	100.0	2010.0	UBJT.	
Provincial Margin ratio		12.205	82 285	12.203	12.29%	12.263	12,202	12,203	32,243	12.208	12.284	32,289	12.35
Investment income on Lech Reserves					U. State	in the second se	CON B	228 893	271 347	318.614	349,715	387,414	445.23
Investment Income Place		LASS	u.ary	8493	11405	U.STT.	8455	0.495	URC	0.01	CANE.	0.000	0.45

The above view shows the Initiative Balance Sheet items linked in.

## **Technical Parameters**

Tab number thirteen, **Technical Parameters**, stores parameters used in the model that are established by corporate. All the parameters are rates, and may vary by product and brand. It stores a history of when parameters have changed and of the parameter currently in use. It may be a Read-Only tab in the model. Technical Parameters are used in the **Revenue**, **Incurred Claims**, and **Incurred Claims Initiatives** tabs.

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Nation properties will be also	1.000	1.002	1.003	1.002	1.002	1.002	1.001	1.002	1.002	1.001	1.003	1.001	1.000	1.002	1.003	1.003	1.002	1.002
Faculative Hillida	8.012	BHE	\$111.8	1.012	8.011	8.812	8.012	8.012	8.812	8.011	8.812	RHIT	1012	8.812	BHILL	0.012	8.012	8.012
Terminel. 19/F.cor	4.28%	4,292	4.203	4.784	4,702	4.752	8.203	4.293	4,783	4.203	4,703	4.783	4,284	6 2005	4,783	4,70%	4.203	4,292
Proportional Rillingcoveries Rate	11 4531	0.012	0.403	0.498	0.481	0.401	11.403	0.452	0.401	8.401	0.683	IL ATLE	0.401	11 4103;	11482	0.481	0.4000	0.652
Facultaive Di Deccueies Fine	0.46%	0.481	0.402	0.40%	0.40%	0.401	0.401	0.492	0.461	8.40%	0.401	8,40%	0.401	0.40%	0.402	0.401	0.40%	0.433
Nan prosition of Plantanee Rose	0.28%	0.29%	0.201	0.20%	0.20%	9,293	0.201	0.29%	8.29%	0.20%	0.20%	8.29%	0.20%	0.20%	0.20%	0.208	0.28%	0.29%
Prodenikal Morgan Frate	18.22%	10.22%	18.228	18.22%	18.22%	18,224	10.228	18.22%	18.224	18.22%	10.22%	10.224	18.224	10.22%	10.224	10.224	18.22%	10.22%
CIETide	2.17%	2.11%	2.774	2.77%	2.1/1	2,773	2.778	2.174	2.178	2.7/%	2.77%	2.77%	2.274	2.11%	2,778	1.77%	2.77%	2,77%

## General Assumptions

General Assumptions, tab number fourteen, is used to store the Global Assumptions used throughout the model. These assumptions are established by corporate and do not vary by product or brand. General Assumptions is *Read-Only*, and its data is used in the following tabs:



#### Earned Premium Calc

The fifteenth tab of the *Blueprint*, Earned Premium Calc, may be hidden from users if desired. If not hidden, it requires no direct user input and would therefore be Read-Only. It takes the Phasing calculated in the Earnings Pattern tab, and brings it into each month for use as an input into the Delay BiF which calculates the Earned Premium in each period. A BiF, or a *built-in- function*, is a standard calculation available within the Cognos 8 Contributor application. Delay BiF calculates the Premium Earned based on a delay, in this case "phasing." Phasing indicates the time between the receipt of funds and recognition. The other item needed, Premium, is linked in from the Revenue tab and is equal to Premium – New and Premium – Renewal. Premium dollars, after having run through the delay calculation, can be used to calculate Earned Premium and Unearned Premium Reserve(UPR). The Earned Premium for both New and Renewal business are then adjusted for the number of days in the period to arrive at a Daily Adjusted figure which is then linked back into Revenue tab. Having calculated Earned Premium, we can also calculate UPR, which is also linked back into the Revenue tab.

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	Parwin	1,254333	1.357.851	1.264.68	1,228,751	1,313,764	A1.98	920.308	1.018/05	778,342	1.0117.290	1.038.950	12,251,120
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Since we have calculated the numbers used to determine the daily adjustments in each period, we feed the information forward into the **Current Year Claims** tab, which does a daily adjustment calculation on Incurred Dollar if the Size & Frequency Method is used. We will discuss this further when looking at the **Current Year Claims** tab.

### Trend Analysis

Trend Analysis, tab number twenty, is used to store the trends used in the Revenue, Expenses, and Balance Sheet tabs. Trends are based upon 12 months of actuals history. For each trended item, there are pages for: the past 12 months of history, the 12-month average for the item, the 6-month average for the item, storing zeros, and storing the last known value for the item. This tab, which may be hidden, is used by the above targets to "look up" values desired by users.

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Avalage Preckan - New (Trand)	4251	487.1	498.	E Morth Ave	4 in case		90 T	491.1	492.1	493.1	494.1	507.T	492.0	494.6	507.8
Espectra - New (Frank)	1.575	1,018	2.00	1236sc81.89	wege		(87)	1.963	1,984	1,975	1,908	1.65	1,910	1,938	1,675
Average Premium New Endmittement (Trend)	45.7	163	100	Last Fariad			68.3	153	162	487.	315	120.0	25.0	80.9	128.6
Extension and Faller New-(Tamul)	1 28%	1.545	1.291	Jess Trend			200	1.881	2,481	3.21%	2.685	1,801	2.06%	2,253	1.80%
Anage Pressur - New Caronistics (Teard)	361	140	47.	45	477	435	394	483		CIE:	25	367	434	440	197
accelator Fate flow (Trend)	154	1.34%	2138	1200	1.641	1.30%	1.90%	1,724	1,201	1.52%	1,375	1 435	1.52%	1.47%	1.43%
www.ge Preneum - Flerentel (Franch)	506.4	462.5	517.9	5302	512.7	586	483.7	496.3	57E.1	516.3	\$33.t	- E127	509.3	508.1	512.7
spice Roln. New Rondwill (Tanut)	16 114	19.455	22.143	21812	19.831	205.205	33952	18.955	15713	21.975	30.162	39,712	280.0%	19.952	19,213
appa Bala - Berwood Barranial (Transf)	12.113	12055	15.531	14911	13600	14153	14.825	15703	55.382	15410	14.248	34200	14.39%	143072	34.703
verage Prenkan - Renewal Endowevent (Trend)	166	61.0	520	36.7	43.9	624	50.6	553	52.2	61.9	\$5.5	70.1	51.8	59.0	20.1
retrained Paris (Freework)(Freeds	1.005	1428	1.643	11111	1.57%	1.195	1403	1.468	\$ 201	2181	2115	157%	1.55%	1.72%	1.57%
verage Prenium - Renemal Cancel ston (Trend)	1214	(65.1	1622	454.3		1005	051	175.9	587,0	602.9	464	105 E	488.2	503.7	495.5
ancelator Fale - Fereval Trend	1.45%	1375	1,631	LATE	1.003	1.803	1.00%	1.733	1.501	1.52%	LAIS	1.90%	1.601	1.614	1.50%
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country and Astrowal Bain (Transf)	1714	1.262	1.70%	1701	1.70%	1.70%	1.70%	1.701	1.70%	1,70%	1.705	17/05	1.70%	1.702	1,78%
MP Database Moverce Fore Trans	9.601	9.911	-983	9.811	9,900	9.902	- 9900	3.825	5.831	3 80%	9.805	988	9.901	9.962	9.802
AC - Commissions / LFR (Transl	10.00%	10.00%	10.001	10.071	10.001	10.00%	10.00%	10.005	10.001	10.00%	10.00%	10,00%	10.001	10.00%	10.00%
MC - Other Accountion / LIPH [Trend]	10.03%	10.061	10.005	10.001	10.005	10 003	10000	10.05%	10031	10.00%	10.00%	10:005	10.00%	10.052	10.00%

#### Claim Trend Analysis

The Claim Trend Analysis tab, number twenty-one, stores the trends used in the Current Year Claims tab. Trends are based upon 12 months of actuals history. For each trended item, there are pages for: the past 12 months of history, the 12-month average for the item, the 6-month average for the item, storing zeros, and storing the last known value for the item. This tab, which may be hidden, is used by the above targets as the source when "looking up" values desired by users.

Step	Discourt Orwine Official	Tient Arab	ir Clair	ns Trend	Analysis	Chier	Type Bistor	Exd	infer Anto	a Tim	Cat	Consolicity)	edActuali:		Consolidated	Profit & Lamp)	453	Porit & Loss Beport Hide
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West .	Chirs Frequency (Frend)	1	0	- A		4	0	10	<u>n</u>	100 A	0	й <b>1</b>	0		12 Month Ave	stage		
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	Average Daw Size (Terrel)	36	30	40	10	10.	30	3.0	50	30	3.0	-11	50		Zero Trend			
lenend	Close Freegoersty Efreed	0	0	0	0	1	0	0	0	0	0	66 - Milli	0		0	000	. 0	
	Erms Law Sew (Frend)	0.164	0188	0.563	0.175	0.163	2171	0165.	0.165	0.175	10.163	0.172	12.165		0.16%	0.162	0.161	

# Claim Type Ratios

Claim Type Ratios, tab number twenty-two, is used to calculate the ratio between the Perils used in the BAU tab. The basis for the ratios is Cost of Current Year Claims from Current Year Claims. BAU uses these ratios to break down Gross Incurred Claims, Net Incurred Claims, Current Year Claims, Gross Loss Ratio, Net Loss Ratio, and CHE (Claims Handling Expense) Loss Ratio into the Peril component parts.

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Total Batis	50.534 95.521	1.010.440	1,095,460	1000,055	3121,125 95,52%	4,646,687	5,221,020 95,52%	E.414,040 95,52%	6,000 D15 95 522	7,125,447	95.52%	9906,254 96,523	58,001,625	10,552,930 95,52%	10,930.400	10.653,136 95.5212	11.088,025

## **Currency Choice**

**Currency Choice**, a hidden tab in the *Blueprint*, is where users enter the currency they have been planning in. The model assumes they are working in the Standard Currency; if no choice is made, Local Currency and Standard Currency will be the same. This tab may be hidden from users who are known to plan in Standard Currency. If the Contributor application administrator desires, it may be populated prior to deploying the model. In that case, the tab may be hidden from all users.



# Exchange Rates

**Exchange Rates**, the twenty-third tab in the model, is where the Contributor administrator would load Exchange Rates. This tab requires no user input and may be hidden within the application.

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USD	8,756	5.760	0,7950	0.7660	1,7663	0.7660	0.7660	0.7550	11.7568	0.7560	0.7960	0.7993	0.7660	0.5354	0.775	6,7356	0.7354	0.7364	8,7384	0.7054	0.7354	3,7354
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### Exchange Rate Lookup

**Exchange Rate Lookup** is also hidden in this *Blueprint*. It links in currency from the **Currency Choice** tab. Based upon that choice, it then looks up the appropriate exchange rate in the **Exchange Rates** tab. The default, if no currency choice is made is to use the Standard Currency. This tab requires no input from the user and should be hidden within the application.

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The Exchange Rate Lookup tab links into the Balance Sheet and Profit & Loss tabs. These two tabs are viewable therefore in the Local Currency or the Corporate Standard. The Profit & Loss tab links into the Consolidated P&L. It brings in the Corporate Standard numbers, so that the Consolidated P&L is only viewable in the Corporate Standard. The BAU data is converted within the BAU (CurrConv) tab which is hidden within the application. There is also a Consolidated Actuals tab that is used for reporting purposes and also uses Exchange Rate Lookup to convert historical numbers. There is a flowchart in the *Insurance Product Profitability Addendum V2* addressing the Currency Conversion process.

## Time Calc

The twenty-fourth *Blueprint* tab, **Time Calc**, enables an automated rolling forecast, requires no user input, and may be hidden at the discretion of the Contributor administrator. It is used as an allocation table in a number of the links in the model. Some links require that actual months data be used, others forecasted months, and still others need to link over the 12 previous, etc. **Time Calc** stores and automatically updates a great deal of information used throughout the modeling process. It is a data source in **Incurred Claims**, **Prior Year Claims Cashflow, Balance Sheet**, and **Revenue**. It is used in eleven other links as an allocation table. See *AddendumV2*.

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#### ConsolidatedActuals

The twenty-fifth tab in the *Blueprint* is **ConsolidatedActuals**, and is used to facilitate the rolling forecast and feed actuals into both **Consolidated P&L** (000) and **Consolidated Profit & Loss** (**Mth**). It may be hidden at the discretion of the Cognos Contributor Administrator.

Step 3 Discourt Universit (Hubs) Trand Analys	is Gen Trend	knalytis Claim	Type Flation   Exc	hange fieles   Ti	ne Sat: Corcold	IntedActuals	Consultated Pro	fi S Loughth)	Purit & Loss P	escet()fide)
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Unearred Previum	1 /121 /175	40.586	12.059.763	3.296.561	410.161	2,901,788	7.677.587	(1000 m m m	(579.73%)	3,701,091
Feat Income		0	1		g	¢	0	1		0
Gines Earned Premium	35,017,118	35,410,991	34,277,243	25,705,089	34,776,121	35,479,830	35,436,048	32,055,317	35,320,105	34,887,646
Total Behuyance Plenikm	E75.8320	107.014	(137.BHS)	[700.730]	(294,500)	(263,301)	[007.437]	(307.407)	[307.407];	1907, 4071
Net Carned Providen	35,141,486	35,481,175	33,939,427	35.565.159	34,481.620	35.216.529	35,188,640	31,747,910	35,031,777	33,700,239
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Cross Pactment Cleans	F13,534,6839	[23,636,332]	(31,107,613)	(33,676,327)	(02,887,987)	96,536,739	(第68番17月	(33,255,575)	(36,563,438)	(05.354.013)
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Net Incurred Claims	[34.939.000]	[34.418.430]	[33.035.392]	(34.465.695)	(33.416.238)	55.077.376	[37.439.100]	[33.824.746]	[37.446.756]	(36.031.549)
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Total Acquisition Cants	(1,230,290)	0.570.020	11.013.8971	15.50,75%	11,9:0,022	11,554,649	11.461.000	1.161331	11,252,0101	3,191,000
Net Commissions	[274,189]	(20E.311)	{98,237}	1453,5431	(340,761)	(380.011]	(MISE 5223	[355,943]	4051.5154	[355,462]
Not Conselection: Basel	(323,400)	£551.143I	(140,000)	(451.461)	1353,441)	[241,211]	1075,606	(297.043)	1352-554	1326,661
Defected Acquisition Costs	49.271	14812	41,712	(802)	4.693	(8.790)	195.057	(53.094)	012	132,8011
LAT Adamsent	and the B	1 (10.000) (Sec. 9)	(1900) (11/#		- 1.0.19 C-9	<ul> <li>modelski, R.</li> </ul>	Sec. 9	P. 10	W. GROOM	9
Tet Oher Acquirier Com	(756,535F)	0.041.038	F6(88520)	(1.049.752)	1,161,68.1	11,244,632	1547.0781	(755,775)	(900,456)	約22.148
Mariagement Excercise	12,400,675	1575312431	12,629,5991	[2]]]11.2131	17,882,8271	13,303,9931	[12]74.28]		(2,859,969)	12,490,683
Total flomating Expenses	(7,430,972)	(3,017,371)	[3,643,396]	{4,327,410}	(4,113,349)	14 200 2311	[4,161,397]	[1,459,496]	13,911,9908	(3,682,293)

#### Consolidated Profit & Loss(Mth)

The twenty-sixth tab in the *Blueprint* is Consolidated Profit & Loss(Mth) which may be used within the Business Intelligence portion of the model to build monthly reports based upon history. It may be hidden at the discretion of the Cognos Contributor administrator.

Step 3 Discount Unwind (Hide)	TresdAudyris	Com To	erdAnshnis	Case Type	Plates 1	Exchange Rote	Tave Calc	Consolidate	1400al	Consolidates	d Profit & La	saMith)	Profit & Loss	Report Hide)	1
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Linux Witter Presses	1	28.1-	26.525	26.745	25.197	21/20	23557	44880	- 50.455	40,857	MSR	41,628	61.705	424,322	10,211
Unetaristid Fremilian		前加出	11.7758	(5.106)	2.250	目出的	1,332	(29.225)	127,302	(0.036)	(3,435)	##G	120,4131	(109,707)	15,250
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Gener Earned Premium		137,375	- 28,749	21,635	23,807	24,603	26,929	24,455	24,148	- 30,921	31,452	33,149	33,303	314,615	35,163
Total Renotant to Preman		11.95.21	41.711	13.7498	3 800	110263	CLUBR!	16,1471	12,000	15.730	(ASH)	154303	12.4271	(58.199)	23841
Net Carned Premium		15,463	17,007	17,890	20,113	21,034	23_42	18,208	17,330	25,201	26,522	27,315	25,975	255,416	32,279
and the state of t		1.200	1000	· · · · · U			ų.	4 - 0		Đ.	4	1 84 E	- 11 M	100 E.	
<b>Department</b> Clairs		112.013	111.000	115.3191	(13,914)	[15.636]	(15,498)	£74.0033	110.326	717,0283	15.455	16.5552	(15.662)	1184,776	15.004
Total Resusance Fouriers		10	10	0	10	10		16:	1.000	10	種	- 15	2	757	e anna
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#### Profit & Loss Report (Hide)

The twenty-seventh tab in the *Blueprint* is **Profit & Loss Report** (Hide) which consolidates data into one location for easy comparative reporting within the Business Intelligence layer. It also may be hidden at the discretion of the Cognos Contributor administrator.

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Ulors Witters Perman	110.6551.0114	12,375,677	32.9 Budget			\$1,543,88	5. 7.278.629	13,295,395	T1.585.516	5337.68	U 12.058.057	70.666.341
BUP New	5.584.406	5,481,433	63 Pay Yes			5.402.65	5 1.149.129	1,300 152	1:391,270	1,165,26	4 1,418,70E	1,421,029
GWP Forenal	7.871.371	6.594.245	7.2MURI	0.057.177	6,816,919	8.140.53	0 6129548	3396.216	10.208.246	6,766,37	7 10.679.161	15,229,313
Total Esponse	19.2%	17.324	17.958	16 902	16.600	15.068	5 13.573	20 370	21.397	10.65	1 22,758	30,254
Espotum New	9.004	9,624	9.607	1.641	3,449	8.78	4 1,625	1.903	2,165	1.8	0 2,209	2,200
Exercise Renoval	13,721	11.345	12,531	11,218	11.052	8.91	13.704	20,282	-21.350	10.57	2 22,401	30.031
Balatzko: Bala	113	110	111	101	109	H	76	75	78	100	9 BO	11
Rependor Rate New	103	105	103	101	100	9	9. 79	75	73		4 TE	78
Fatereine Fate Riverauf	113	112	111	111	112	100	3 25	18	79		9 BC	81

## Insurance Product Profitability Initiatives Application

The following application is used to calculate and select the initiatives used in the *Insurance Product Profitability Application*. Since—when calculating the initiatives, many of the same processes must be used, we will note such instances and refer to relevant sections above for detailed discussion. Differences will be noted.

### Initiatives

The first tab in this application is **Initiatives**, which enables users to enter as many as five unique initiatives for each product for each brand. These initiatives begin as blank slates and allow users to compare initiatives and choose which initiative or initiatives they wish to include in their forecast. In order to make an informed initiative enablement decision, it is necessary to apply the same degree of diligence as for **BAU**. Specifically, the same Earned Premium Calculations, Daily Phasing, and Incurred Claims calculations need to be made in order to arrive at an Insurance Trading Result or ITR by Initiative.

Initiatives Citizence Infance Rates	a filmet building	Dilatere	e indistives Tail	me fa	entPlenkinCr	in balance	Instant Die	in realized	Dan Pap	and Talin Islan	ives		899
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Engle ?	Yes.	1/24			India	Area 3							
Groos Willion Premium	1	4,000,000	4,000,000	8,000,000	4,000, lone	dina d		,000,000	8,000,000	4,080,000	4,040,000	4,000,000	4,000,000
Total Expenses		4,000	4,003	4,000	<ol> <li>Inde</li> </ol>	frie D		4,000	4,000	4,000	4,000	4,000	4,000
GWP Hee		4,600,600.	4,000,000	4,880,000	4,090,000	4,000,000	4,000,006	4,000,000	4,600,003	4,080,000	4,866,000	4,008.000	4,000,000
Explanate New [Net]	1	4,009	4,001	4,000	4,000	4,000	4.000	4,008	4,000	4,000	4,000	4,000	4,000
Pressian New		4.000,000	4,000,000	6.020.000	4.006.000	4.000.000	4,000,000	4,000,000	4.000.001	4.000.000	4.950.000	1.038.000	4.000.000
Average Cheraux - New	40	1.000.0	1,000.0	- 1,000.0	T.DEDU	0.000.1	1.000.01	1 DUM D	1000.0	1.000.0	1,0000	1.00040	1.0000
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Endorscreent Promium New			0	0	0	0	0		0	0	0	0	0
Average Prendual New Endominant	(ED)	0.0	0.2	0.0	3.0	0.0	00	0.0	0.0	0.0	0.0	0.0	0.0
Fastmare - New Enderstand					0	0	n		1.0				8
Evaluationary Pale - New	8.035	1.005	: 11 IB \$	0.000	0.00%	1.90%	DOTY	: BUIN:	8 CON	0.08%	0.000	0.00%	0.00%
Concellation Pressues - New			0	0	0	0	0		0	0	0	0	0
Average Prenium - New Coloridation	0.0	0.0	0.9	0.0	200	20	90	8.0	0.0	0.2	0.0	0.0	0.0
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Fremum - Renewal		0	0	0.0	T.	. 6				4	. 0	п	0
formage Press an - Personal	4.0	C D	6.8	0.0	30	10	0.0	8.0	0.0	0.2	10	0.0	10
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Latie Rale - Researd Revolute	8.033	0.00%	0.061	0.005	0.001	0.005	0.00%	8.005	6 005	O DEL	0.951	0.005	0.003
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Endportant Rists - Rejevant	0.035	0.105	0.000	0.001	0.001	11.90%	0.00%	0.035	0.003	0.0800	0.002	0.00%	DOCT
Cancellaton Prenum Harrawai	1			Ű		u	ti ti				u	u	II.
Average Property Reported Lancellanet	1.0	0.0	0.8	aŭ	2.0	00	0.0	0.0	0.0	0.7	00	000	00
Essence - Desewal Cancellation		.0	0	0	п	0	0	0	- 0		G	0	0
Cecolisto Pale Rewar	8.008	¢ 105.	0.000	0.065	0.00%	0.001	0.035	# CO1	0.000	0.08%	0.00%	0.085	0.00%
Grout Canad Premium		163,163	503,583	021.910	1,195,041	1,479,452	1,868,452	2,200,213	2.301.329	2,007,671	3.123.280	3,567,123	3,700,822
Gross Earned Permises - Now		103,802	503.503	821.330	1,185.041	1,479,452	1,008,493	2,208,213	2,301,378	2,867,671	3.123.206	3,567,123	3,700,822
from Farrert Permine Renewal		0	0	0	0	0					0	0	0
Net Earned Premium		1360.2368	123,9071	295,299	648.751	136,258	1,321,488	3,957,737	1,749,995	2,338,395	2,563,695	3,003,052	3,214,614
Total Reinsurance Presidan		5283,8728	333,495	536,619	540,290	543,135	547,085	550,487	553,414	557,277	029,633	564,071	566,200
Pronutional BL		1,893	9,096	8,219	11,890	14,755	18,685	22,012	23,814	28,877	31,231	15,671	37,890
Provotikinal F8 FLata	0.002	1002	1 (10)	1.005	2001	1.002	1011	1.008	1 cin	1.08%	1.005	1.002	1.00%
Non-proportional III		40.000	10,900	40.000	40.000	40,000	80.000	40,998	40,000	40,000	40.000	48.000	40,000
Nen-pecterial fill flatm	8.005	1.005	11.1802	1.81	1.001	1.002	1.0.0	1 100	1005	1.005	1,005	1:001	1,000

As shown in the flowchart below, there is a complete set of tabs that conduct the same processes as above. These tab sets, while following the same logic, do so for both Initiatives and Difference Initiatives.



If you wish to include an entered initiative in your Total Current Forecast, you enable the initiative by selecting **YES** from a drop-down as shown below.

Initialives Difference Initialized Bar	area Sheet) mitathing	12 Annuel	a India men Vian	erer   S.a	nad Pleasan La	a interior	Proved Us	and instances	Claim Pierr	nort facile initial	NOT 1		699
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5 100 US	1 HE 31											and a start of the	Yes
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Total Exercised	4,000	4,000	4,000	4 000	4,000	4,000	4.000	4,808	4,008	4,000	4,000	4,058	40,008
GWP - New	4,000,000	4.000.000	1.000.000	4.060.000	4,000,000	4 560 660	4,005,560	4,000,008	1,000,000	4,382,000	4,935,000	4,000,000	43,000,000
Explorer New Hall	A.000	4,000	4,000	4,000	4,000	4,000	4,000	6,000	4,000	4,000	4,000	1,000	48,000
Chemical How	4,600,000	4,000,000	4,000,000	4,000,000	4,660,000	4,868,000	4,900,000	4,000,000	4,000,000	4,998,900	4,008,006	4,008,000	41,000,000
Average Frencue (Alem	1.000 E	TJERS	1,008.0	1.000.0	1.000.0	1200300	1.6000	1.000.0	1.000.0	1.1000	1.000	1 300.00	1,000,0
Contast Res	+0.0	- 4.000	<100	4,000	400	4,000	4100	+1981	4.300	0.000	0.000	43011	46,000
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Anothe Liker to Plan Futures	45	44	60		0.0		.00	00	0.0	20	.00		0.0
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Fishment Permitter - Reserved	0		0	a		0	. 0	0		. 0	- Ø.	0	
Avesga Faresa (Terminal Endropman)	44	.68	6.0	1.0	0.9	0.0	0.0	0.0	6.0	0.0	-0.0	0.0	0.0
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Amount Facult Record Condition		0.0	84	- 10	0.0	100	0.0	0.0	0.0	11.0	0.0	10	10
Espense - Reneval Cancel ation	1		0	0	1								
Carolicator Role-Tenevid	0.000	9.00%	0.003	0.084	0.00%	- 0.001¥	0.005	91090	0.001	0.001	1.003	0.002	8.005
50000000000000000000000000000000000000		1913 L					solution of	11.255-011	1		100	-	1.00
Gross Earned Prenders	163.011	500.500	1517010	1.118.041	1.091.492	1.161.493	2.208.219	2,301,378	2.887,671	3,122,298	3.547.122	3.789.827	23,306,849
Gross Earned Premium New	1021.043	509,589	621,918	1,105,041	1,479,452	1,858,450	2,200,215	3,301,370	2,007,673	3,123,200	3,567,123	3,798,823	23,306,645
Gooss Larcel Presses - Revenue	100 C		0	0		0		0		0	D		
Met Carrell Pression	[36] 230	\$23,9071	265,299	649,751	136,250	1,121,400	1,857,737	1,749,856	7,339,355	2.583,655	1092,052	1,214,814	17,326,901
Lotal New subject Provident	530,098	143,496	138,613	540,290	143,195	147,085	140,482	001,414	\$67,277	108,838	964,079	558,20R	1.578,868
Propertorial III	1.699	5.005	8,219	11.090	14/96	18.685	22.002	23,914	26.877	31.233	35.571	37,808	230.10
Toporomal fill Hafe	1000	1.005	1.002	1,469	1.18.00	COEX	1.001	1101	1005	1.005	2.003	2.004	1.003
Man graphtikes A	40.000	40,000	40.000	40,000	40.000	40,000	40.000	40,000	40,258	48,900	46,008	42,000	450,000
Inconditional Print	1.000	1.00%	1-2012	1.89	1.006	1.00.5	1.001	1.001	1001	1961	1261	1009	1.603
California de la califo	620,400	00,400	340.400	220,400	320,400	120,400	100,400	200,400	100,410	121,400	128,498	320,400	1,044,800
1.5.00.01.0.1.6.5	adde	0.012	OF OF DE	1000	1000	anos	denot.	SPEE	PTET.	1.000	392	208	8.013

By re-orientating the **Initiatives** tab, you may compare initiatives which may facilitate the decision regarding which Initiatives to include. The screen shot below compares the Product Commercial Motor – Fleet, for the Brand AMP for 2007 Fiscal Year results.

1 Commercial Motor - Fleet 👻 1 F	2007		PAMP		
• UI • UI	In Kalue 1	Indiation 2	Indiation 2	Industrian &	Initiative 5
Description		TY PERMIT N. S.	and the o	1000075-2	THEORY &
Enable?	Yes				
Gross Written Premium	48 000 000	0	0	0	D
Total Exposure	49,000	0	Ő	ő	D D
GWP - New	48,000,000	0	Ő	0	8
Exposure - New [Net]	48.000	0	0	õ	Ő
Premium - New	48,000,000	0	0	Ø	0
Average Premium - New	1,000.0	0.0	0.0	0.0	0.0
Exposure New	48,000	0	0	0	0
Endorsement Premium - New	0	0	0	0	0
Average Premium - New Endorsement	0.0	0.0	0.0	0.0	0.0
Exposure - New Endorsement	8	0	0	0	D
Endorsement Rate - New	0.00%	0.00%	0.00%	0.00%	0.00%
Cancellation Premium - New	0	0	0	0	0
Average Premium - New Cancellation	0.0	0.0	0.0	0.0	0.0
Exposure - New Cancellation	0	0	0	0	0
Cancelation Rate - New	0.00%	0.00%	0.00%	0.00%	0.00%
GWP - Renewal	0	0	0	0	0
Exposure - Renewal (Net)	8	0	0	8	Ð
Premium - Renewal	0	0	.0	. 0	D
Average Premium - Renewal	0.0	0.0	0.0	0.0	0.0
Exposure - Renewal	0	0	0	0	D
Exposure - New Renewal	0	0	0	0	0
Offered - New Renewal	0	0	0	0	B
Lapse Premium - New Renewal	0	0	0	0	0
Lapse Exposure - New Renewal	0	0	0	0	0
Lapse Rate - New Renewal	0.00%	0.00%	0.00%	0.00%	0.00%
Exposure - Renewal Renewal	0	0	0	0	0
Offered - Renewal Renewal	0	0	0	0	0
Lapse Premium - Renewal Renewal	0	0	0	0	0
Lapse Exposure - Renewal Renewal	0	0	0	0	0
Lapse Rate - Flenewal Renewal	0.00%	0.00%	0.00%	0.00%	0.00%
Endorsement Premium - Renewal	0	0	0	0	0
Average Premium - Renewal Endorsement	0.0	0.0	0.0	0.0	0.0
Exposure - Renewal Endocsement	0	0	0	0	0
Endorsement Bate - Renewal	0.00%	0.00%	0.00%	0.00%	0.00%
Cancellation Premium Renewal	0	0	0	0	0
Average Premium - Renewal Cancellation	0.8	0.0	0.0	0.0	0.0
Exposure - Renewal Cancellation	0	0	0	0	8
Cancellation Rale - Renewal	0.00%	0.00%	0.00%	0.00%	0.00%
Gross Earned Premium	23,905,849	0	0	0	0
Gross Earned Premium - New	23,905,849	0	0	0	0
Gross Earned Premium - Renewal	0	0	0	0	8
Net Earned Premium	17,325,981	0	0	0	0
Total Reinsurance Premium	6,579,868	0	0	0	B
Proportional BI	239.068	0	0	0	0
Proportional Ri Rate	1.00%	0.00%	0.00%	0.00%	0.00%
Non-proportional RI	480,000	0	0	0	0
Non-proportional FII Flate	1.00%	0.00%	0.00%	0.00%	0.00%
Facultative BI	3,844,800	0	0	0	0
Facultative FIL Flate	8.01%	0.00%	0.00%	0.00%	0.00%
Terrorism Levy	2,016,000	0	0	0	D

BAU							
	BAU						
Premium - New	1,000						
Average Premium - New	100						
Exposure - New	10						
Enable							
Difference Initiatives							
	BAU	Difference Initiative 1	Difference Initiative 2	Difference Initiative 3	Difference Initiative 4	Difference Initiative 5	Difference Initiatives
Premium - New	1,000	1,800	1,200	1,000	1,000	1,000	1,000
Average Premium - New	100	150	120	100	100	100	70
Exposure - New	10	12	10	10	10	10	2
Enable		Yes	Yes	No	No	No	
Initiatives							
		Initiative 1	Initistive 2	Initiative 3	Initiative 4	Initiative 5	Initiatives
Premium - New		1,800	30	0	0	0	30
Average Premium - New		150	10				10
Exposure - New		12	3				3
Enable		No	Yes	No	No	No	
P&L							
	BAU	Difference Initiatives	Initatives	Selected Initiatives	Total Forecast		
Premium - New	1,000	1,000	30	1,030	2,030		
Average Premium - New	100	500	r 10	206	135		
Exposure - New	10	2	3	5	15		

The top section is Current Forecast in BAU.

In the second section, we've brought that information into the Difference Initiative tab and have both changed and enabled Different Initiatives 1 and 2. Consider the math: Premium – New has gone up 800 for Difference 1 and 200 for Difference 2 for a total of 1000. Average Premium – New has risen 50 and 20 dollars respectively for a total of 70. Exposure – New has risen by 2 in Difference 1 and stayed the same in Difference 2. While it is evident that these numbers are correct, it is also clear that 2 times 70 is not 1000. However, in the Initiatives Variance tab, the math users want to see is just that:  $2 \times 70 = 1000$ .

We wouldn't want to end up with this math in the **Profit & Loss** view. Instead, we back into Average – Premium to arrive at Profit & Loss Option 2. This means that, for every formula in the **Profit & Loss** statement, there is a designated derived portion.

## **Difference** Initiatives

In tab two, **Difference Initiatives**, we begin *what-if* analysis on the Current Forecast from **BAU** (Business as Usual). The first thing we do is seed each of the 5 Difference Initiatives with the **BAU's** Current Forecast by means of a system link.

A system link in the Cognos Contributor application is a tool enabling users to move information from a tab in a source application to a tab in a target application. A system link is a pull link, rather than a push link. Links are executed on the client computer through the *Get Data* client extension

- 1. Click File, Get Data. (or click on the Get Data Icon)
- 2. Click the System Links tab, select the link and click Run.
- 3. To view the history of the link, click History.

Get Data			
Run Sys Process a Local Lin	<b>tem Links</b> system link from this list. ks System Links		
Status	Link name	Description	Lievy
	Dilference Initiatives - Seed All	Copies Current Forecast to All Initiatives for a	Edit
	Difference Initiative - Seed Initiative 1	Copies Current Forecast to Initiative 1 as sta	
	Difference Initiative - Seed Initiative 2	Copies Current Forecast to Initiative 2 as sta	Copy
	Difference Initiative - Seed Initiative 3	Copies Current Forecast to Initiative 3 as sta	Delete
	Difference Initiative - Seed Initiative 4	Copies Current Forecast to Initiative 4 as sta	Enore.
	Difference Initiative - Seed Initiative 5	Copies Current Forecast to Initiative 5 as sta	Add
	BAU Current Eprecast to Difference Initiatives	Loads Current Forecast to facilitate Different	Save Asim
			Quick Lord .
			History
<		>	Bun
Help			Close

There are seven system links available to users. The highlighted link loads Current Forecast from the **BAU** tab in the Insurance Product Profitability application into the Current Forecast page of the **Difference Initiative** tab of the Insurance Product Profitability Initiative model. The top system link seeds all five initiatives. The remaining five links seed a specifically targeted initiative. In the event someone has developed three acceptable Difference Initiatives, and makes an error on Difference Initiative 4, re-seeding all initiatives is not required. Only the fourth would need resetting to zero differences. Having now seeded the Difference Initiative with the starting point, users are now free to begin working on a difference initiative. They may create five Difference Initiatives for each brand. If they are satisfied, and wish to bring their changes through to the **Profit & Loss** tab, they need only enable the Initiative by selecting **YES** from the Enable? drop-down list. To remove a **YES** choice, just highlight the **YES** and hit **Delete**. Users may also enter a brief Initiative description (i.e. Increase Average Premium or Reduce Cancellation Rate on Renewals).

transfer Officiance Indubers II.	area Sheef Infalline	Difference	Charlen Vener	1.0	ned Prencers Date	inflation.	Jacanet Class	elindaliyer	Class Payward	table initialized	1		19193
* Sceneralitate Red - *	héidim 1		( p.wP	1200 200			11.4.115	11.01		11110			11-11-11
	1918	August	96516	0.405	1404-06	PDel-OK	Lint	Fails 07	Ma 07	Ap.37	World?	.1 an 82	intal D
Lignageon													
Enade?		-				0103000000						concerosa.v/	in con
Grass Witten Pressien	and an and a second	8,375,677	0,073,212	E 359,357	8,268,547	7,540,106	0,454,356	13,256,677	15,099,691	10,101,154	15,485,746	21,667,798	100/
Futal Esposure	15,255	13,324	13,950	12,002	12,008	11,965	15,655	23.171	24,483	51,010	25,493	38,473	i
EXAP Novi	1,586,486	1,407,430	1,597,593	3,502,100	1,457,028	1,410,656	795,147	949,423	1,037,137	BEA SEA	1,165,916	1,195,195	15,1
Engennum New (Net)	2,705	2.545	2,629	2,580	2.525	2.183	1.133	1.484	1,518	1.375	1.865	1.958	ę
Picelah Row	1.676.089	1.548.526	1.640.833	1.541.624	1.424.50	1,420,445	916.795	1,104,116	1.223.678	1033.890	1.245.348	1,243,116	10,1
Average Poentax - Tene	567.5	5410	5733	5451	302	3538	562.1	3013	1086.7	5031	390.5	510	£
Espenare - Neur	2,92	2.012	2,813	2,820	272E	1.082	1,575	1,003	2.08E	1 500	2,108	2,100	(
Endocoxent Presion - Now	15,206	4,728	16, 183	8,641	18,828	24,219	26.674	32,455	36,179	17,375	27,052	14,420	2
Aluminge Pressure - New Trutteransee	48.2	16.7		101	0.4	061	153	683	60.0	31.7	00.1	61.3	E
Espanae - New Endersement	257	291	353	471	300	201	360	497	496	505	2015	221	
Enternant Raw New	0.401	8.955	1,168	1.593	129	6 95%	1.28%	1.34%	189	1.58%	-2065	2025	
Cancellation Premium - New	46.889	64.224	58,445	40.001	48.435	42.600	155.722	107,130	220.642	66,302	186.484	62,300	
Australia Pretruza - Case Descalidon	100.0	2415	2012	2001	292.1	215	362.0	402.0	4222	621	432.0	4261	
Experience New Consultation	247	267	204	230	208	200	442	405	467	213	244	147	£
Concelular Rate - New	6.295	0.075	0.67%	0.704	0.675	\$711	1541	1.995	2134	1.24	1.545	1.004	
GWP Bonned	7,873,871	6,894,246	1,275,743	£.857.177	6.816.519	6,140,538	8,699,299	12.307.254	14.057.554	12,236,190	14,233,830	20.462.635	123.1
Espasse - finnessel (Not)	12,501	10,775	11,329	10,212	10,075	6.802	14,521	21,667	22,863	20.443	23,63M	32,517	
Pinasan - Henered	8,094,475	7.233.220	7,534,250	7,072,297	8,995,001	8,343,808	9.022.476	13,222,862	14,532,815	11.844,895	15,233,302	21.532.978	1384
Average Pressure - Prevenuel	599.9	875.8	611.0	530 /	512.0	639.5	662.1	554.5	5765	\$3(1	591.5	596.0	
Espocure - Reneval	12,771	11,906	15,201	11,211	11,052	9,919	16,524	23,931	25.075	22,232	75,856	34,958	()
Espanare - New Hennwal	2,505	2,248	2,563	2,229	2,388	2,929	3,512	4,131	4,472	13,396	4,663	4,887	
Uttened New Figuresal	3,135	2,748	3,176	2.845	2,995	2,479	4,251	5,128	5.751	4,306	5.824	8,123	R aa
Lapse Pierson - New Network	373,530	305,700	374,318	388.004	380.527	207.657	439.722	953.324	750.344	166,655	900.344	761.804	21
Lapse Exposus - New Honewal	1230	498	613	10.5	100	450	719	357	1,273	5/0	1,155	1,23/	
Lacup Falls - Harr Flanwood	20.031	10.15%	13,25%	21.641	20113	10.15%	10,012	12,45%	22145	22.53%	18335	20,536	
Esposuro - Renowal Renowal	11,214	9.698	9,768	8.990	8.554	7.850	12,991	19,700	20.557	18.996	21,168	38.072	6
Offered Renewal Renewal	12,996	11.379	11.480	10.526	18,963	5,127	14,782	22,953	26,403	22.325	24,500	34,987	
Lapor Piercan - Benewal Renewal	1,047,193	1.017,753	1,046,172	968,665	885,706	790,829	1.042,650	1.503.032	2.2965,222	1.344,407	1.364,454	3.827.827	17.
Lapan Exposure - Renewal Flenewal	1,775	1,601	1,712	1.537	1,393	1,297	1,790	2,053	3,005	3,329	3,332	4,915	
Lepie Rate - Revenue Reviewal	15074	14,77%	11.85%	14,004	10.013	加熱能	12.村共	12,853	現る時	14,015	11584	14.05%	
Endourement Pressue - Renewal	54,032	49,127	75,712	44,240	55,633	50,437	26,641	124,049	137,923	49,261	84,375	104,009	1
Hamoge Porrease Historical Entersort	- MIN.	- EL		321	21.6		164	63.8	Q2.8			52.4	
Expression Newswal Endorsement	1,088	1,104	1,867	1,371	1.425	1,187	1,609	1,958	2,229	1,603	2,078	1,680	6
Exdationing Rate Horowal	1.295	0.835	0.65%	1.004	1.043	8,794	1.184	1.435	1,641	1,755	1.574	7 285	-
Cancellelion Pressure - Revenue	277.436	307,101	294,405	259,368	225,115	252,575	949,508	1.040,457	1003,004	857,967	1,070,444	1.1/5.224	- 70
Annuage Pressure - The secol Concollation	257.2	331.0	2937	257.0	247	241.0	A74.8	485.7	452	454.3	481.7	431.6	
Expresse - Renewal Cancellation	1,120	1,167	1,602	1.007	977	1,837	7,002	2.144	2,210	1.883	1.292	7,445	E.
Carolista Rae Record	0.42%	3912	見7時	0.74	0,403	0.152	1.651	1.94	1.631	1412	.963	1852	
Great Earned Promises	158,679	798,864	1,594,479	2,460,425	3,126,515	3,909,474	3.852.127	4.315,650	8.189,715	7.384.200	8,757,722	10,008,413	52,5
Green Carried Premium - New	36.945	143,190	283.650	433,511	\$69.173	706,104	631.577	966,309	421,362	106.123	1,112,629	1.207.912	73
Gass Exceed Pressue - Recessal	121,134	128,122	1,310,629	2,026,981	2,565,341	3,203,291	2,103,550	3,649,260	5,369,353	6,399,177	7,645,894	8,603,507	44,5
Not Earned Presiden	(1,092,676)	(315,950)	A06,370	1.331,554	2,004.954	2.873.525	2.568,772	2,571,286	4,134,501	5,579,895	6,625,346	7,047,341	23.1
Tutal Reinsurance Prensum	1.250.755	1.114.416	1.109.109	1.120.075	1.123,568	1,005,550	1.231,405	1.794.363	2.055,113	1.004.504	2.122.676	2.961.078	10.1
Propertienal 81	1,581	7.96%	16,945	28,604	31.285	39,895	38.521	43,156	£1.897	79.842	17.577	100,004	1
Properties al ITE Plate	100%	1000	1,005	1,001	1.003	1 005	3.00%	1,000	1.08%	1.00%	1.06%	1.001	
Nen proportional III	94,563	83,757	80,733	13,594	112,645	75,432	94,844	132.567	150,887	101,012	154,057	216,578	1,
h impropriational fill Finale	102	1.004	LUN	1,005	1,008	1. 注意的	1.00%	主题片	1.034	1004	1.002	100	8 - OL
Fecultative FI	757.448	EV0.832	710,752	653,581	662,311	604,203	753 637	1.051.860	1,200,584	1,649,402	1,234,000	1,734,781	11.
Facations Rivigs	6013	4.075	8853	8043	WITH.	1011	1111 1111	8.972	<ul> <li>240.0044</li> </ul>	8,073	1011	5015	

Initiatives Difference Initiatives Balance	e Sheet Initiatives	Difference Initia	tives Valiance	Earned Pierra	um Calc Initiatives	Incuted
🐭 🔁 Commercial Motor - Fleet 🛫 🐦 💷	05	* * 4	MP	•		
10 W	Current Forecast	Initative T	Initiative 2	Inmative 3	Indiative 4	Infialive 5
Total Exposure	15,256	15,256	15,256	15,256	15,256	15,256
GWP - New	1,315,050	1,584,406	1,315,058	1,315,050	1,315,050	1,315,050
Exposure - Now (Not)	2.705	2,705	2,705	2,705	2,705	2.705
Premium - New	1,346,741	1,616,089	1,346,741	1,346,741	1,346,741	1,346,741
Average Premum - New	456.2	547.5	456.2	456.2	456.2	456.2
Exposure New	2,952	2,952	2,962	2,962	2,952	2,952
Endorsement Premium - New	15,206	15,206	15,206	15,206	15,206	15,206
Average Premium - New Endurrement	58.2	58,2	58.2	98.2	59.2	99.2
Exposure - New Endorsement	257	257	257	257	257	257
Endorsement Plate - New	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Concellation Premium - New	46,889	46,889	46,889	46,889	46,889	46,889
Average Premum - New Cancellation	189.8	189.8	188.8	189.8	189.6	189.6
Exposure - New Concellation	247	247	247	247	247	247
Cancellation Rate - New	0.39%	0.39%	0.39%	0.39%	0.39%	0,39%
GWP - Benewal	6,816,070	7,871,871	6,816,070	6,816,070	6,816,070	6,816,070
Exposure - Renewal (Net)	12,551	12,551	12,551	12,551	12,551	12,551
Premium - Renewal	7,038,674	8,094,475	7,038,674	7,038,674	7,038,674	7,038,674
Average Premium - Renerval	512.0	563.9	513.0	511.0	512.0	513.0
Exposure - Renewal	13,721	13,721	13,721	13,721	13,721	13,721
Exposure - New Renewal	2,506	2,506	2,506	2,506	2,506	2,506
Offesed - New Renewal	3,136	3,135	3,126	3,136	3,136	3,136
Lapse Premium - New Renewal	323,870	371,530	323.070	323,070	323,070	323,070
Lapse Exposure - New Renewal	630	630	630	630	630	630
Lapse Flate - New Renewal	20.095	20.08%	20.08%	20.08%	20.08%	20.08%
Exposure - Renewal Renewal	11,214	11,214	11,214	11,214	11,214	11,214
Offered - Renewal Renewal	12,990	12,990	12,990	12,990	12,990	12,990
Lapse Premium - Renewal Renewal	910,603	1,047,193	910,603	910,603	910,603	910,603
Lapse Exposure - Renewal Renewal	1,775	1,775	1,775	1,775	1,775	1.775
Lapse Rate - Renewal Renewal	13.67%	13.67%	13.87%	13.67/5	13.67%	13.67%
Endorsement Premium - Renewal	54,832	54,832	54,832	54,832	54,832	54,832
Average Premum - Renerval Endorsement	90,8	50.8	50.8	50.8	50.8	50.8
Exposure - Renewal Endorsement	1,000	1,080	1,000	1,000	1,000	1,080
Endotsement Rate - Renewal	0.35%	0.39%	0.39%	0.38%	0.39%	0.33%
Cancellation Premium - Renawal	277,436	277,436	277,436	277,436	277,436	277,436
Average Premium - Flenewal Cancellation	237,2	237.2	237.2	237.2	237.2	237.2
Exposure - Renewal Cancellation	1,170	1,170	1,170	1,170	1,170	1,170
Cancellation Rate - Renewal	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
Gross Earned Premium	10,759,988	158,079	[254,287]	[254,287]	[254,287]	(254,287)
Gross Earned Premium - Now	1,775,646	36,945	(31,683)	[31,683]	[31,683]	(31,683)
Gross Earned Premium - Renewal	0.984,342	121,134	(222,604)	(222,604)	(222,684)	(222,604)
Net Earned Premium	9.578,266	11.092.6761	11.325.8661	11,325,8661	11.325.8661	11.325.8661
Total Reinsurance Premium	1,181,722	1,250,755	1,071,579	1,071,579	1,071,579	1,071,579
Proportional fil	107,600	1,581	[2,543]	(2.543)	[2.543]	[2,543]
Proportional SI Rate	1.00%	1.00%	1.09%	1.00%	1.00%	1.00%
Non-proportional RI	81,311	94,563	81,311	81,311	81,311	81,311
Non proportional RI Rate	1.00%	1.00%	1.00%	1.005	1 00%	1,003
Facultative RI	651,303	757,448	651,303	651,303	651,303	651,303
Facultative RI Rate	0.01%	0.01%	0.01%	0.01%	8.011	8.011
Terrorism Leve	341.507	397,164	341.507	341,507	341.502	341,507
Terrorium Levy Bate	4,201:	4 2010	4.20%	4,20%	4,20%	4,20%
The second se					and the second se	1.

By re-orientating the Difference Initiative tab, users may compare difference initiatives side by side.

The Difference Initiatives tab is the target of BAU in bringing over the Current Forecast. It links out to Incurred Claims Initiatives and Earned Premium Calc Initiatives in order to allow for the calculation of Net Claims Paid, Balance Sheet Movements, Reserves, Prudential Margin, DAC, Premium Debtors, and Investment Income Ratio. After running through their respective calculation engines, these items are linked back from Incurred Claims Initiatives, Balance Sheet Initiatives, and Earned Premium Calc Initiatives. Having received these calculations, users may now make an informed evaluation of the proposed initiatives and determine whether they should be enabled. Upon enabling an Initiative, the link is activated to move the enabled Difference Initiatives to the Difference Initiative Calc tab.

#### Difference Initiative Calc

The thirteenth tab, **Difference Initiative Calc**, is where we begin the process of calculating the difference initiative that will be a result in the **Difference Initiative Variance** tab. This tab requires no user input and would most likely be hidden in a deployed application. It is viewable within the Blueprint in case users wish to explore its functionality. We have created and enabled a difference initiative in **Difference Initiative**. We link the Current Forecast and the Selected Initiatives into **Difference Initiative Calc** via an accumulation link into the Total Selected Initiatives. The number Enabled (Hide) is linked internally so we have an indictor within the **Difference Initiative Calc** dimension.

Color Premieri Toble Infrat-sa	Gard	ACHERTIMES NO.	184 0	in ProjectionalS	tothe and	Data Projection	Cher Halt	GeneralAssurg	tione   Techni	alforette	Difference Ini	itietive Calo		REP
Y Cornecialities Flag	\$ iTe	d Selected Hone	over 🔸	Y 100		- 7	No.		3		-			
Charles and the second s		3895	44246	T-to-Til	0:00	Pato-RG	Det-IE	Jary Tr.	Teb07	6424-117	4047	144/12	34467	Think Up
Description		Summer Street	1000			- B.	4	0			0	1	1.00	
Enable (thing)		Same C		t		i	t	· · · · · · · · · · · · · · · · · · ·					1.1	
Number Enabled (Hale)		1 Enobled	I Enabled	1 Enabled	1 Endited	1 Enabled	I Emilied	1 Enabled	1 Emilded	I Enabled	T Enubled	1 Enabled	1 Environt	
Gross Writen Prendum		9.4% 27	43/66/7	8873,311	1.254.257	8.288.547	750118	6491,776	11255.827	10.035491	\$3,110,154	10.410.786	21,697,730	138.
Total Country		15,254	12,214	11,958	12,602	124年	11,046	15,693	21(17)	34,415	21,818	36,408	34,472	
GWP Nev	1.1	1.584.405	1.421.438	1 997,999	1.502.180	1,452-020	1.402.595	785,147	843-423	1,037.137	064,954	1.165.945	1,155.195	15
Execute New Flut		2705	2545	2629	2,590	2525	<ul> <li>Z101</li> </ul>	1,133	1.454	1,619	1.325	1.865	1.936	
Postikis Mer		1,115,068	1.543 925	1540.831	1.511.628	1.474500	1.428.445	916,735	1,104,355	1.223670	009,000	126336	1243/16	18.
Avenue Prevala Take		347.5	540.0	5297	245.5	3452	5011	5021	584.5	1000	198.0.1	1915	1000	
Exercise - New		2.922	282	2311	2.670	2,225	2.997	1,529	1.969	1110	1.528	2,118	2012	
Endportment Processon News	1.4	10.268	4,729	(5183	E.6AT	19.029	24.218	24.074	32,453	34189	17,375	27.062	14,420	
Aussian Freiture - line Endouenent		51.2	16.2	-63.6	181	1011	361	(63)	653	GER	67	16.5	15.3	
Labrage New Ledenserset		100	201	101	478	10.00	201	200	62		202	37	111	
Externant Pate - New		0.405	10.95%	1.165	1398	100	0.935	1285	1.90	2.385	11915	12.000	2426	
Considering Frank an Alasi		41.808	84,254	-10.40	40.000	41416	47.081	198,122	107.138	2860	66.342	101.018	621336	2.1
Austrace Distribut - New Convenieson		CALC II.	240.5	35.7	2708.1	112.6	200.8	326	467 E	477.7	475.1	437.0	4391	
Lussen an - Nava Canadahan		247	267	215	220	200	200	14.7	4.5	447	219	204	16	
Consulator Para - New		8 Mit.	17.67.5	0.675	0.768	0.672	0.715	1561	1.96	2111	1.203	1 645	1 326	
Class? Barensi	2.4	212 02	0.014 245	1375.341	1957127	- E. 1852-721-8	610530	1029200	12 307 264	LAUSI WAS	1225190	ta course.	20.422636	122
Entering - Entered Statt	- 14	13 771	10.779	11,379	10,212	10.075	6.985	14.671	21 657	22.025	25.443	22 524	31 813	1.553
Burney Brought		10 YOM AVE.	1203200	2014-040	2102247	L WEAK	111111111	8622.676	10 202-08-2	141020-015	STIMANS.	- 10 10 1 10 10 - 10 - 10 - 10 - 10 - 1	1000000	1 20
Annual Resident Formula		040 8	0005	2110	670.4	237.8	ENC	100.0	251.0	Eart	THE 1	1000	616.0	1.00
Farmer Transal		81 228	11 541	12 3 31	14.518	11 182	1.910	10,000	22008	212	22.00	10 10 1	34 0700	
Environ tree Berney	1.4	2.525	2.745	2.603	3.200	2300	2,125	36.07	4.125	4.472	2.1%	4 52 3	4007	
Character Street Reported		5.448	2.744	3120	2048	2.000	7,770	1,100	8.101	8.767	4.936	1 574	6.1.21	
		10 100	1011 1000	104.000	Sources.	MINOR.	TALLARD.	10.271	10000	Bartes	Line Car	1007.000	DOT HAR	14
A second second and the second second		1000 Jane			1000		201.001	2010	2007	1 121		1.455	1.137	1.1
Login Loginian (Description		100 100	10.000	10.00	11040		10.775	10.015	10.460	11110	1010	10.000	100.00	
Frank Rend House of		ar 164	10,000	0.000	Carlos .	000,000	10.000	10.01%	10.000	20.000	10.000	20.000	30,8293	
Concert Statements (1997)			41,000	11.000	1000	411.000		10.000	- Analia	10.40	10.00	10.170	30.012	
Long Days of Descent Firstern		1 847 455	1017203	1045.175	000.000	000 304	100.000	I NOTES	1 600,000	5.000.005	1044-077	- 104 484	001102.001	12
Capie receive resourcements		1.1746	1011103	1000112	SCECCU	2003/49	100.000	1042030	1. Service		1000	1.004.404	Justiner	
Lopie Looide mereven energ		19/13	1,000	a derive	14 100	1.000	1.4.11	1,100	2,003	10.000	14,000	2.3%	4310	
Capito Fiera Transva Heronov		TANK D	ad an a	19.214	431040	11.20.0	100 447	200.000	14,005	10.534	20-53	10.000	1010.000	
Annual Provide Parates	p	24.00	42,147	2007.04	100,000	32.5		20,041	20.042	010	10.001	100	104,000	
Consign Present Terminal Creating of		200	1.00	1107	1001	1.474	Care and	6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1.000	34.9	A	1.000	100.1	
Pablent Hopenstructures		1,000	1.1.004	- GIW)	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1,448	1.000	1.4.0	1,966	1.000	1,000	1.000	1.000	
A subscription of the second		100.400	Contractor.	2014 1000	200 200	100.00	10.015	010.000	100.00	100.0	007.007	1 110 444	1177.004	2.00
Constant Proversion Constant		272,400	10,101	224,400	108,004	423,810	202312	042,026	1.0403457	-192.034	007,307	-1-1/12,644	11 01.224	2.84
the second statements and stat		141.8		000-1	257.8		200.0	() ( <b>1144</b> )			100.0			
Process - Hanning Chockellor		5400	1,087	1,010	1,007	Wr.	1.1.1.1	2006	2.00	1.000	1,009	1.04		
Canadidan Naw - Parswal		8,425	11 MO	a tat.	0.470	0.70	0.765	3.995.	1.575	1000	1,000	1.645	1,005	
The second The second		1000	-	C. States and	12,220,220		0.000 000	100000-0000		10000000000	1.000	V management	1.00000.000	
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drame a stand a country linear			144.118	30,1430	ALCONTR.	- 1/2	1.00,100	001.507	1 4 4 4 1 4 1	841,762	100,143	The set one	1,207,312	
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THE LAND THEM.		0.032.0788	83(5:52)1)	-100.170	1.1.1.1.1.1.1	1.04.04	2013111	# 500 mill	1.74 200	0.1.34.001	35,3635	0.135.140	7.041.341	33,
THE PERSON NOT THE MAY		1.200,000	CITERIA	1103,139	118.811	1,11218-0	1035.230	1,251,405	1710.363	2000.13	184.034	1112.615	2391,678	18,
The control of the	-	1.56	7,363	(0.040	24,004	11,455	30.02	38,527	43106	01.097	120842	11.57	100,834	
Price Concurried Sel PCARE		1.144	1,04,0	1.00,15	10005	1.003	1,615	1004	1.0405	1400	1.00/3		10.75	

This dimension is selected as columns in a second view of the tab. Note that Number Enabled now reads 1 Enabled for each detail item in the list (those items not calculated). Since we'll later need a number for the items reading 1 Enabled, we use a conditional to get a value of 1 in the value column. The tab now calculates an item called Difference Initiatives. It looks at the detail items. If the detail item has not changed from Current Forecast, it takes the Current Forecast. Otherwise, it takes the difference between Total Selected Initiatives and Current Forecast. In the example, the Average Premium – New, the seventh item on the list, has changed from Current Forecast by 4900, so the Difference Initiative calculates 4900—the desired answer. The next item on the list is also a detail item: Exposure – New. But the item has not changed from Current Forecast, the number is 1. Premium – New is calculated, and the number in the Difference Initiative column is correct.

Sell Statemental Mater Plant	NULL COL		-1 - Ilizaro	and the second	and an	IT Cost	A CONTRACTOR			consideration and a second	C D C C C C C C C C C C C C C C C C C C
• III - Commercial Prover Trade	(and should be	1 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	- FLAN	Contract of	PLANUA TRANSM	1 Marsho M		Dea	Cher 1	Difference Initiation Deathlad	The second is in the second of a location of
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Manpace a compared for sect	<sup>11</sup>	rudated	114450-0	141	1 Citation		1 Destruct	5 3.20	0.502	c 2	1.02022-0202
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T INVERSION IN	2	10,459	Endored	- 2	15.200		19.256		- 28	3	19.236
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Armingte Premium Mater Ersteinermen		31.2	t Ereitied	1.2	59,2		50.2	0.0	60	0.0	59.2
Excave NorFelorment		-257	1 Endled	18	27		207	1 3		0	257
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rive ser Penian NeurCencelator		100.00	I trated	1.0	185.6		189.8	0.0	-60		103.8
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(WP - Farmer al	<ul> <li>••</li> </ul>	STREET!	I English		6816-020		1.055.803		100		2 821 821
Ferries Respond Net		12101	English	1.1	17.000		12.561	- 1 <b>5</b>	C 25		19951
Frank St. Chevroned		-	7 Durinet		1030 574		1.055 808	0.00	0.03		1 014 475
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And Area and a second		15.751	1 Designed	- 272	10.000		13.721	- 19 C	- 25	() (Mar	13 731
		2400	111000		1.00		24.00	1.15	1.15		10.000
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Carrier Copension - New Comment	77	. 650	1.1108/001				6.30	1.1.1.9	1.19		630
Lapse Hole Mow Renewal		2164	Enabled	1.004	20,003		20.68%	1/69	10.4	29.004	20.064
Elocity Reneval Period	3	11,234	Endbled	- A	11:214		11,214			9 <b>Q</b>	11,234
Officered - Thermonal Thermonal	3	12,000	1 Enabled	- 1	12.390		12,300	8 S.O.		S. 0	F2.350
Lopor Prosta: Hereini Reneiwi	- Di 11	347,181	United		100,801		136,530	- 29	0.00	11 <b>9</b>	1,047,153
Lasse Exposure Renava Renaval		1,325	T Tentori	N	175		1,775		9	(C	1.775
Lassa Tata (Danayad Banayad		13675	1 Indet	1.002	12.47%		13478	1.035	100	11671	13.672
Etatamanant Pranker-Banavivel		\$4,632	1.fmd/wil		FR 812		54,832				54,832
AveragePhonom Ramos/Endocement		-18E.B	1 Enabled	1.8	50.0		50.8	:0.0	60		50.8
Exposure Renewal Snoomenter#	10	1,000	1 Enabled	1	1.396		1.000	- 0			1.000
Enconcent Pala Report		0.586	1 Enabled.	1.002	0.793		0.798	Rent	BESTS'	0.001	0.7992
Canadatan Presan Revent	- 10	777.436	1 Endered	1.1	201,438		277,436		2.0	4	277,435
Average Parson Reneval Caracterist		237.2	1 English	1.0	297.5		297.2	0.0	- 60	0.0	237.2
Emotes Rewaldstation		1,170	† English	E	1.675		1.820	0	- 0	(a) 2010	1.170
Carcollation Rain - Remonal		3.42%	1 Endled	1 862	6.42%		0.42%	0.035	1000	0.002	0.47%
Gene Lared Forman	*	155.679	1 Enabed		10.755.800	(3)	0.601.9085	. 0		8	158.079
Gront Excectional and these	1	35,243	Enabled	1	1.775.548	ſ	1.738.7011	0		0	36.945
Hans CareelFondar Belever	5 III	128.134	T-Enshied	1	8,996,342	i i	1,061,2071	- 0			121,134
Net Earled Penkin	1 R	092.0751	T English	1	9,671,368	11	0.670.9421	- 0	9	0	13,032,6761
Tatal Percentance Percent		250,755	I Inshed		1.131 722	100	19.633	- 1a	5	a	1,258,255
Provincelli	(1)	1.581	I Enstant		107.60		0105-0151				1.561
Presidentifi Fute		1.100	TEndert	1.112	114.003		1 103	1.003	1005	1.003	1 885
Report and and BI		14.561	Traffield		10.001		13,258				34 563
Description of D L Direct		L IDEC	Endort	1.002	1.003		1.60%	1.031	1000	1.002	1.000

The item just calculated is now linked into the Difference Initiative Movements tab with the Current Forecast.

#### **Difference Initiative Movements**

The fourteenth tab in the application is **Difference Initiative Movements**, which receives the Difference Initiative item from the **Difference Initiative Calc** tab and renames it as Difference Calc. Note however, that in this tab we have only brought in the calculated items, not the detail items. Here, we compare for calculated items the Difference Calc number with Current Forecast. If the numbers are different, we take as the Difference Initiative the new Difference Calc number. If they are the same, we return zero. In the Flag column, we calculate a 1 for each calculated item that returned a Difference Initiatives other than zero. In most cases, changing a detail item in the **Difference Initiative** tab will change a number of calculated items as the effect of the change cascades through the items on the list.

Claim Projections(Step 3)Init	Senara	Assumptions	Technical Parameter	<ul> <li>Difference Initiative C.</li> </ul>	alc Dif	l Initiatives Movements
😵 📳 Commercial Motor - Fleet		14-06	× 3	MANP .	*	Č.
n an ().	23	Difference Colo	Current Forecast	Difference Initiatives	Flag	
Plenkm - New	1	259,348	1,346,741	269,348	1	
Endoisement Pienium - New		15,206	15,206	0	0	
Exposure - New Endorsement		257	257	0	0	
Cancellation Prenium - New	- 1 h	46.889	46.603	0	0	
Exposure - New Cancellation		247	247	0.000000000	0	
Pietrum Benenal	1	1.055.801	7.038.674	1.055,801	1	
Offered - New Flanewal		3,136	3,136	0	0	
Lapoo Piemum - New Renewal		48,460	323.070	48,460	1	
Lapse Exposure - New Plenewal		630	630	0	0	
Offered - Ranewal Renewal		12,990	12,990	0	0	
Lapse Pressum - Renewal Renewal	11	136,590	910,603	136,590	1	
Lapse Exposure - Renewal Renewal		1,775	1.775	0	0	
Endorsement Premium - Revewal		54,832	54,832	0	0	
Exposure Renewal Endorsement		1.080	1.080	0	0	
Cancellation Premium - Pienewal	10	277,436	277,436	0	0	
Exposure Renewal/Cancellation		1170	1,170	0	0	
Gross Earned Plumium - New	1.1	(1,738,701)	1,775,646	(1,738,701)	1	
Gross Earned Premium - Renewal	10	現1653,207	8,904,342	(0,063,207)	1	
Proportional BI		(106.019)	107.600	(106,019)	1	
Non-proportional R1	1.1	13,251	81,311	13,251	1	
Facultative RI	- 28	105.144	651,363	106,144	1	
Tengam Lovy	1.4	55.656	341.507	55,656	1	
Gross Incured Claims	195	(7.200.258)	7,226,793	(7,200,258)	1	
Net Incured Claims	1.4	(7.200.205.36)	7.223.595.23	(7,200,285.38)	1.00	
Incured Dollar - New	100	(291,232)	297.421	[291,237]	100	
Incured Number - New		6	Ũ	0	0	
Incured Dota: - Renewal		(1,484,587)	1.504.677	(1,484,587)	1	
Incured Number - Renewal		Ó	0	0	0	
Cleim: Handling Excense		0.00	0.00	0.00	0.00	
Net Commissions	1.4	93.655	566.901	93,655	1	
Community - New	1.8	10.774	52,602	10,774	1	
Conmission - Benevial		17.949	115.873	17.949	1	
AMP Databation Allowance	1.	64,932	388.425	64,932	1	
Net Other Acquisition Costs	1.8	0	0	0	0	
Net Undermiting Result	19	(3564 311)	1,787,770	(3.564.311)	1	
Investment income on Techical Reserv	a .	45.415	0	45.415	1	
Instance Trading Read (ITR)	1.1	0.518,896	1 787 770	(3 518 895)	1	
Incurance Trading Result Issoi LT reiga	and a	The second	0	10 Contraction (10)	0	
Oceasing Field Relate Tax and Fundry		(3.5)8,896	1.787.770	(3.518.896)	1	
Operating Profit Betone Tax	1.		0	0	0	
Total Expense Ratio	1.0	(66)	6	(66)	1	
Combined Doerating Sato	1.	(244)	81	1140	1	
Net Cost of New Claims Latter BU		0		0	0	
Emonyre - New Pieti		2 705	2 705	0	0	
Total Operating Expenses		93.655	566 901	93.655	1	
Proportional Bil Baccoveder		[474]	430	[424]	i.	
Facultative Fill Bacqueries		405	2605	425	i	
Non-concerned Bill Becoverer		- 22	163	- 27	1	

From the **Diff Initiative Movements** tab, we now link the Flag back into the **Difference Initiative Calc** tab using an allocation table that places a Flag in all the detail items for the calculations that have changed. So for the portion of the A-Table we can see, by noting that Premium – New has changed in our **Diff Initiatives Movement** tab above, one would expect a Flag to show up in "Average Premium – New" and Exposure – New" when we next look at the **Difference Initiative Calc** tab.

🖙 (A-Table) Insurance Product Pro	fitability BP.DiffInitiativesMovement		
Source [143]	Attach to D-List 🔽	Attach to D-List	Target [145]
Ž? 🔐 0.48.46	Source	Target	₹? 🔒 №223223
Premium - New	Prenium - New	Exposure - New Kg	Description
Exposure - New Endorsement	Endorsement Premium - New Endorsement Premium - New	Endorsement Rate - New	C Gross Written Premium
Premium - Renewal	Cancelation Premium - New	Average Premium - New Cancellation	GWP - New Exposure - New (Net)
Lapse Premium - New Renewal Lapse Exposure - New Renewal	Exposure - New Cancellation	Cancellation Rate - New Cancellation Rate - New	Premium - New Average Premium - New
Ultered - Henewal Henewal Lapse Premium - Renewal Renewal Lapse Exposure - Renewal Renewal	Lapse Premium - New Renewal	Average Premium - Renewal Average Premium - Renewal	Exposure - New Endorsement Ptemium - New Average Ptemium - New Endorsemen
Endorsement Premium - Renewal Exposure - Renewal Endorsement	Lapse Exposure - New Renewal	Lapse Rate - New Renewal	Exposure - New Endorsement Endorsement Rate - New
Cancellation Ptermum - Henewal Exposure - Renewal Cancellation Gross Easted Partial - New	Lapse Premum - Renewal Renewal	Lapse Rate - Renewal Renewal	Cancellation Premium - New Average Premium - New Cancellation Exposure - New Cancellation
Gross Earned Premium - Renewal Proportional RI	Endorsement Premium - Renewal	Average Premium - Renewal Endorsement	Cancellation Rate - New GWP - Renewal
Non-proportional RI Facultative RI	Endorsement Premum - Henewal Exposure - Renewal Endorsement	Endorsement Rate - Henewal Endorsement Rate - Renewal	Exposure - Renewal (Net) Premium - Renewal
Gross Incured Claims Net Incured Claims	Cancellation Premium - Renewal	Average Memum - Henewal Cancellation Cancellation Rate - Renewal	Exposure - Renewal Exposure - New Plenewal
Incured Dollar - New Incured Number - New	Exposure - Renewal Cancellation Gross Incurred Claims	Total Reinsurance Recoveries	Offered - New Renewal Lapse Premium - New Renewal

In looking at Difference Initiative Calc we see that the Flag has been linked into certain items, and that Average Premium – New and Exposure – New have received Flags.

The tab now calculates the last two columns. Difference Initiatives Enabled displays the Difference Initiatives for each item that has a Flag associated with it. The Difference Initiatives Selected returns a number from our first column for all the detail items that were Enabled.

* Connecta Note Field	7    Jul &		· PIANE		- 7	( rai		1.0		
	Told Select	POWERING DO	Nunter Enicked	VONE	Curren Forevall	Difference Instative	es Figu	Floor Z	Difference initiatives Enabled	Billerence Initiatives Selected
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EviP-Max		154.06	Ende	R 94	1.3(5.058	268.3	343	6 6		1.504.401
Explored New New	1	1705	1 Enable	8 31	2,705	2.1	705	0	87	2.70
Freedow - New		1,216,069	Enable	8 14	1.546.741	269.3	140	63 17		1.616.00
Average Design ( New		517.5	Engle	1.0	156.2		12 1	e ai	803	2 547.1
Farmer High		197	3 Faultin	2 7	23672	23	6.2	0: -77	9 90	2.907
Independent Persons New		19.778	English	2 4	18,205	180	ADG.	81 - 17 <b>7</b>		15 202
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Ford and and Home Manual		10402	1 Fruids	1.002	1411		100 100	0.000	0.000	11.402
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Exclusion - River / Scient and		MT	2 En vido	2 W	- 317			$p \rightarrow n$		
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CONTRACTOR FILM	- 23	114/168	11144	E 12	areaut	1.00.5	<u>e</u> 1	Di 01	0	1.047.00
Light Experies - Hendwal Frenewa		1,779	121480	5. J	1,7.13	1.4	(19) I.		S	
Lesso FLOX - File service Frences		125/1	1 ENGIN	c: 1.095	13645	83.9	178. LOU	0.000	1167	1 13.675
Enclassing Press per Receival		34.812	1 E-GO	6 D	DA HA	90	84	91 14		/ 14.80
average Howart Hendwart Endertenant		10.8	1 E10067	c 1.0	50.8		R. 8	9 01	23 - D.W.	/ 50.9
Exposure - Receivel Endorsement	22	1,000	TE908	6 U	1,000	11	160			) 1,000
Endpicement Halls - Histories		0.00	Through	1.002	1.001	11.1	an mu	0.000		0.295
Lancelleton Presson - Retroyed		112.438	P.Broaks	6 (B	177.438	344	<b>UR</b>	0		2 277,435
And the work of the second dates		24/2	1.619000	e 1,0	29.2	- 2	11 1	u (u		1 2373
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Proportional RI Flate		1,005	1 Enable	E 1.09%	1000	1.0	INT THE	E U.DEC	1.003	4.003
Niendesstational Ric.		34.563	2 Exide	£ 1	81.311	13.3	51	6	17 (A.S.)	8 94397
Manufacture of Wildow		1005	1 Enable	1 1100	100	1.0	102 10	11111	1.003	£ 1.007

We know have calculated all the pieces needed within the Difference Initiative Variance tab.

## Difference Initiative Variance

Linked into the fourth tab, Difference Initiative Variance, from the Difference Initiative Calc tab, are Difference Initiatives Selected, Difference Initiatives Enabled, Current Forecast, and Value. The Difference Initiative Variance tab now calculates the Difference Initiative. It first evaluates the value column and, if it is a zero, it returns a zero for Difference Initiatives. It then compares the Difference Initiatives Selected to the Current Forecast; if the difference between these two numbers is zero, it selects the number in the column entitled Difference Initiatives Selected (Base), other-wise it calculates the answer as the Difference Initiative Selected minus Current Forecast. The numbers in the Difference Initiatives column are the P&L difference initiatives. In the application, the Difference Initiatives tab, where you enter and enable difference initiatives, is a writable tab. The Difference Initiative Calc and Diff Initiative Movement tabs may both be hidden as they require no user input and add nothing to user knowledge of the model.

Initatives Difference initiatives	Babace Provindatives	Difference Initiatives	Yalance Law	Presson Table Asian	icound Cha	na ikrikatovna 🕴 Da	a Paperer Table India	0,11	10
Y Commissi Mossi Fleer	P Diterence industries	WAP	Financial Contractory			very service and the service of the			
Transme	Jului.	Aug Da	Sing UK	usu:	Revice	Decice	Jan Gr	Fablu	Matt A
Description	and the second s	<b>1</b>	0		- un	1		0	1
Crube (Fide)	1	1		14		1	- 41	31	3E
Filmber En adiat (Hicho)									
Onon Witten Perskan	1.325.149	1,200,264	1.256,214	1.179.411	1,358,142	1.064.057	1,407,919	1,508,739	2,851,704
Total Expecture	U	U .	0	.0	U		U.	U	u
GWT-New	265.040	256.821	273,472	256,037	245.751	206,741	152,789	104.010	200.045
Exposure Hendlet	U	U	. 0	0	U		0	0	
Planker - New	265.348	256.821	273,472	256.337	245,751	236,741	152,788	104.018	203,045
Annual finance flow	01.2	80.3	36.5	81.1	185.2	35.0	87.8	87.4	37.0
Lapanat-New	2.952	2,02	2,003	2,020	2,125	2,312	1.575	1.009	2,089
Credent smarth Phayman - Niew	1	0	0		п	0	0	.0	11

The Difference Initiatives Variance tab should be available as a *Read-Only* tab with just the Difference Initiatives item viewable on this dimension. Doing so offers a view of the tab like the screen shot below.

Initiatives Difference Initiatives	Balance Sheet Initiatives Difference	e Initiati	ves variance Earned Premum Cak	: infoatives in	curred Claims Initiatives
"" Commercial Motor - Fleet	3 hrt-02	MA ST	P		
	Difference Initiatives Selected	value	Difference (ritiatives Selected (Base)	Current Forecast	Difference Initiatives
Description		1	0	0	0
Enable (Hide)	1	1	0	S 9	1
Number Enabled (Hide)	10.000			1. 19121-010	· · · · · · · · · · · · · · · · · · ·
Gross Written Plemium	9,456,277	1	0	8,131,127	1,325,149
Total Exposure	15,256	8 1	0	15,256	0
GWP - New	1,584,406	1	0	1,315,058	269,348
Exposure - New (Net)	2,705	1	D	2,705	0
Pienium - New	7,616,009	1	0	1,346,241	269,349
Average Premium - New	547.5	1.0	91.2	456.2	91.2
Exposure - New	2,952	s 1	2,952	2,952	2,952
Endorsement Premium - New	15,206	ē1	0	15,206	0
Average Premium - New Endorsement	59.2	1.0	0.0	59.2	0.0
Exposure - New Endorsement	257	1	0	257	0
Endocement Rate - New	0.40%	1.00%	0.00%	0.40%	0.082
Cancellation Premium - New	46,689	1	D	45.889	0
Average Premium - New Cancellation	189.8	1.0	0.0	189.8	0.0
Exposure - New Cancellation	247	1	0	. 247	0
Cancellation Rate - New	0.39%	1.00%	0.00%	0.39%	0.002
GWP - Renewal	7,871,871	1	0	6.916.070	1,055,801
Exposure - Renewal (Net)	12.551	1	D	12.551	0
Premum - Renewel	8.094,475	1	0	7.038.674	1.055.801
Average Premum - Renewal	589.9	1.0	76.9	513.0	76.9
Exposure - Renewal	13.721	1	0	13,721	0
Exposure - New Renewal	2.506	1	0	2,506	0
Ottered - New Renewal	3.136	1	0	3.136	0
Lapse Premium - New Renewal	371,530	1	0	323.070	48,460
Lapse Exposure - New Renewal	630	1	0	630	0
Lapse Flate - New Renewal	20.08%	1.00%	20.08%	20.09%	20.082
Exposure - Renewal Filenewal	11,214	1	D	11,214	0
Offered - Benewal Benewal	12 990	1	D	12 990	0
Lapse Premium - Renewal Renewal	1.047.193	1	0	910,603	136.590
Lapse Exposure - Renewal Renewal	1.775	1	0	1,775	0
Lance Flate - Benewal Benewal	13675	1.003	13675	13.675	13.672
Fodozeneri Prezi m - Reneval	54 832	1000	0	54 832	
Average Provide - Renewal Endorsement	50.8	10	0.0	50 B	0.0
Europure - Renewal Endorsement	1 000	1	0	1 080	0.0
Endowenert Eate Renewal	0.792	1.002	0.002	D 293	0.002
Cancelation Prenam - Receival	277 436	1.000	0004	277 436	0.004
Avagate Proving Renewal Cancelation	207.2	10	00	217.2	0.0
Fanceute - Renewal Coocellation	1.120	17	0	1 170	0
Cancelation Bate - Benestal	0.423	1.00%	0.093	0.42%	0.002
		- 0000		27.77	1. S.
Gross Farned Premium	158 079	5 î	0	10 759 999	110 601 9081
Gross E anod Premam New	36.945	1	ő	1.725 646	(1 739 701)
Group Exceed Parriette - Renewal	121.134	÷ +	0	8 994 343	18 863 2070
Net Famed Premein	11 092 5751	î î	0	9.578.266	[10.670.942]
Total Barow rance Diamento	1 360 208	1	0	1 191 722	69 033
Presentenal El	1,200,750		0	107 000	106.010
Property and PI Pate	1,081	1.007	1000	1,000	1 002
Max remember of FU	0.004	1.004	1.004	01.004	10.004
Man proportional Fit	34,563	1.000	1000	1,000	1,201
Free Autor St	1.004	1.005	1.004	005.000	1.004
Postadove na Postadove na	/5/,448	1.000	0.001	0.010	106,144
r acutative Fil Hate	10.01.74	1.003	8015	6.012	8.01.2

The **Difference Initiative Variance** tab links into the **Initiatives Transfer** tab on the Difference Initiatives page. The information on this tab can then be brought back into the Insurance Product Profitability model via a System link run by users from within that application. From there, it automatically distributes its data throughout the application into appropriate areas.

## Balance Sheet Initiatives

In the third tab, **Balance Sheet Initiatives**, you will find the main differences from the original **Balance Sheet** tab are that **Balance Sheet Initiatives** has a dimension for both Initiative and Difference Initiative and a page for each of the five Initiatives. All other dimensions are the same. The links in and out of this tab serve the same function with one exception: The link from **Balance Sheet Initiatives** to **Balance Sheet** brings in all the balance sheet items for both the Initiatives and Difference Initiatives pages in **Balance Sheet** and uses the **Initiatives Transfer** tab in both applications as the conduit.

intiative Difference Indefiner Habers	on Shout Initiati	ves fillen	na bitati wa Van	ees   for	officerum Caleri	hilder	inamet Galacia	Failor 7	his Payeer 14	ich Adres 🛔		H	HEF
* Scormerta Hone Paet - * F	F=1-00		7 140		• * •	ative .							1111
da d	1 HOL	Agtu	Septhi	Jact-M.	Many-Oli	lise-00	ARCH	140-62	Hard	Ap-E	Hereit	10.00	iccal d
Total Tech Reported	2.037,903	7.338.603	10.498.109	13,329,469	15.827.700	17.993,000	19,825,547	21,325,239	22,492,599	23.329.601	21,825,328	23.991.391	253
Total Classe Provinces	17,430	12,7301	12,8951	16,0051	15,6331	16,200	16,6001	17,0951	47.470	(7.74)	10.0001	10,229	£ 1
Net CSC Fro-lease (no FM of CHE)	1.141	(2:588)	\$1,370	0.213	(4,036)	(5.322)	(6.902)	(6.153)	8.46	\$0,70E)	(639428	(7.14E)	6 1
CHE Ilaiana	* 1340	(96)	100	1911	00084	10.00	: (10/3	11714	11200	1063	1993	(358	6
Pradanial Merger	<ul> <li>1750.</li> </ul>	0.0397)	14231	1523	00124	- 00%0	17203	-1774	10000	39415	10701	0000	8
Koters/Fullets/FegH	N.	9	Ď	1	- 0	0			Ū	0	.0	1	1
Tetal Other Provinsion	2,833,333	7.333.339	10.508.008	13,333,300	15,833,333	18,898,008	19,833,333	21.333.333	22,548,098	23,330,333	23,803,333	24.090.001	24.3
MPK .	100.30	7,533,233	181900.000	11.121.100	15/000000	10.060,000	101002-000	21 335,333	12:501.000	21,301,100	21033333	34,000,000	24,0
Premium Doktown		0		0	.0		8	0		0	0		1
Preview Deposit Fiste	0.0000	0.0000	0.0000	\$ 0039	0.0000	0.0080	0.0008	0.9900	0.0300	0.0000	0.0800	0.0000	2. 17
DAC - Committions		0			U			0			U		£
DAD Conversions drift and the	100 B	0	0	1.1	- 0			0			0		4
DAC Commission / UPR	0.002	0.00%	8,002	0.002	0.00%	0.00%	0.003	0.002	0.013	8.00%	0.003	0.003	4
DAD Conversion / UPM DI Add	RIKU.	D SET Y	DIST	10.0002	TIBUR.	0.001	10.0010	0.001	0.00	5.0071	0.001	0.007	í.
DAE / Convenient / UPHIC Intenti	0.025	0.005	1005	1000	20803	11.00%	10.005	0.002	DOM:N	6105	0.00%	B000%	Ê.
DAC - Other Acquisition Cente		U		0	. 0		8	u	8	8		- 4	j
DAL Other Acquisition Cost Initiativent	and the second s		Sector Distances	1000	0.000	10000	A CONTRACTOR OF A		D		· · · · · · · · · · · · · · · · · · ·	and the second	8
DAC Other Acquisition / UPH	0.007	0.00%	0.003	电和中	0.00%	0.00%	0.001	0.00%	0.003	8,20%	0.00%	8.003	£
SAC - Other Acquaition / UPINGLAda	6.003	0.90%	9,000	0.0311	0.000	3.000	0.001	0.60%	0.001	6.00%	3.00%	0.001	í.
DAL Other Acquisition / UNIt (Tarend)	9.00T	0.0012	0.001	100.0	0.0012	0.005	0.005	. 0.00%	0.00%	6103	0.001	0.00%	6
Pradential Margin ratio	0.124	0.124	0.123	0.124	0.12%	0.124	0.124	0.12%	8,124	0.123	0.124	0.124	É I
DAC - Commisions Movement	1000	0	1 - OSMI	- 0						ų	п		Ê -
BAC - Other Acquisition Conte Mercennet		0	S		0		50	0		a	0		£
Investment link on e Free	0.4656	0.4000	0.4060	64000	0.4909	0.4068	0.4096	0.4833	0.4966	6,4586	0.4909	0.4060	E 3
Investment lecous on Each Reserves	10,157	35,662	51,030	64,877	77.842	117,506	281,287	303.867	101.404	113,508	115.371	116.701	
Mavament in GS Claims Tieserve	13.2001	(1.122)	17,0181	18411	81641	14033	14261	(350)	12921	1207)	67371	12010	1
Mavement in Productial Moogin	(196)	11413	11771	(3075)	(14)	(673	(53)	1443	(37)	111	1300	471	6
Management in Chill Humany	C141	- (111)	1201	(220	1101	(14)	1121	1100	100	10	(2)	1.10	£

## Earned Premium Calc Initiatives

This fifth tab, Earned Premium Calc Initiatives, differs from Earned Premium Calc in that it has a dimension for both Initiative and Difference Initiative and a page for each of the five Initiatives. All other dimensions are the same, and the links in and out serve the same function.

initiation   Difference initiations	Balance Street	näsiva	Difference intraffor	- Yaloran	Eaned Provine	Calc Initiations	isuni0.	in hilding	Linio Pisyone	Table TableTown	1		BEER
* Constantial Matter Plant	Y WF		· 2 [ nis	1241	• 7	(day)		• • [miss	a 1				
	F Watter	3-94-05	200.06	Hustle.	Dec-06	1917	Figh D2	Marte	44.07	May 00	he-07	Final 97	AV17
Percelation	0.000.000	4.000.000	4.000.000	4.000.00	4.006.000	4000.000	1.000.000	4,003,000	4.000.000	4.000000	4.030.000	48.008.000	4.000
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2 August	10000 A		i contrati		ti ter <del>nedi</del>	1.000 A.			Concerned of	1000 Concello		50	
Lamed Premium	580.080	833.333	1,196,867	1,501.50	1.003.232	2,366,667	2,500.000	2,673,393	0,166,667	3,500,000	3.600.333	24.000.000	4.000.
Earned Premium (Dody Adjust)	510,510	621,916	1,101,051	1,423,45	1,060,403	2,208,215	2,301,370	2,987,621	2,122,200	2,567,122	3,799,522	22,996,049	4,005,
(iwP (Case)	8,010,910	\$2,000,000	16,000,000	20,000,00	34,003,603	28,000,200	32,000,000	16,060,000	40,000,000	44,000,000	48,000,000	312,038,000	52,008,
Easterd Prevalue (Cound	555,6E7	1,500,000	2,565,657	4,155,65	6.000.803	8,166,667	10,666,667	13,510,086	IE GEE GET	20,165,657	24,000,008	108,333,333	28.008
HPR Disnamed Porcean Reserved	5,113,113	10,500,000	12,322,223	15,833,31	103,000,001	19,822,323	21,203,203	22,540,000	22,112,113	22,012,112	24,000,000	201306.067	24,008.
Dage Per Month [HIDE]	31	30	1 ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) (	111001058	31	31	28	耕	30	11	30	365	
Date Pretting Briters	A=	367	365	36	161	101	167	TF()	1929	345	20	4,388	

#### Incurred Claims Initiatives

The sixth tab, Incurred Claims Initiatives, has the same basic functionality as Incurred Claims. The main differences are that Incurred Claims has a dimension for both Initiative and Difference Initiative, and a page for each of the five Initiatives. Many of the feeds into this tab would be the same, links from Payment Pattern, Time Calc, and Technical Parameters would be identical. Where we previously received data from Current Year Claims or Prior Year Claims Cashflow we now receive data from Initiatives or Difference Initiatives.

Indution Difference Indution Salares	Short Intralives	Litterary (	Infrance Van	res   E	andPress	Capitelates	Incum	d Classe In	liativer	Uan Parnin	Table brank	ar I		BB
The second state of the se	100	3.7	1/245		• 1	P relative T								
Million Martine Contract	Anna anna anna anna anna anna anna anna	100	5ep-00	0.0406	MONTON	Cet-00	Jan07	1726-07	Mail?	April	Hey07	100-07	Fiscal 07	1940
Users Witten Preskas Difference	THE REPORT		4,030,000	4,000000	4.000,0003	4100.001	1000000	A DOUBLED	4,202,003	4,806,000	4,000,000	43393,8007	48,008,000	4,000,000
UNIT's New	4.000.003	4.000.000	4.206.000	4.003.030	4.000,000	4.000.000	-1.000.0000	4.000.000	4.3091000	4.000.000	4,000,000	1011100	40.000.000	4.000,000
IDdT-Hecews	1	. 0	0.0	.0	0.	( D)		11	- 0	0	10000	. 0	. 0	G
Pressart Referent			10	-0	0	(		Π.				0		c
Titus Carred Pressian	169,063	500,903	321,916	1.163.041	1.475,652	1.666.400	1296.219	2.301.000	2,367,371	3121.360	3,857,429	3,780,623	23,966,949	4.065,574
Fraportional Hi	1,691	0.095	8,219	11.890	34,790	16365	22.962	21014	28.807	A.233	激展行	北和田	238.068	40,956
Manchick Med Ri	400303	40/303	10,000	43,030	10,010	40.000	45,000	40,000	41.000	41,000	\$1,006	41,600	450,000	40,630
Fee allosse III	1830.441	3230.023	3085400	\$25,430	00.001	325.003	770.000	323,400	- \$35,400	122.400	231,428	371430	1,844,000	11,00
LongThomas New	1010013	100,909	01.158	1.169,047	1.479,452	1.021.810	278.718	2,001,001	记期代期代	1121298	3,562,373	3.783,822	23,38K.849	4,005,574
Lanad Previuw - Revenue	11		- 10		a	а, а,	0	- R	33	0	1.8	0	- <b>B</b>	c
Nat Earried Pressure	138611386	123.9073	218.299	548.7V1	958,259	1,321,408	1357.227	1,743,956	2,338,350	261.85	33030-062	3,214,814	17.326.961	3,496,516
Bone Incured Clams	(3)	(182)	(170]	(149)	(126)	11031	1953	(96)	(70	1795	173	1631	(1.299)	[58]
Total Reinsurance Recommon	1,368	1,382	1,394	1,499	1,429	1,436	1,450	1,454	1,477	1,487	1,504	1,517	37,295	1.524
Prepartional fill Recoveries.	7	20	33	40	53	15	100	30	116	125	10	8752	114	163
Propertional III Discovering Bala	0.425	0.4910	1.40%	3.422	2040	E401	D ALTE:	6401	0.405	0.40%	10.4202	11401	204.0	0.431
Facultative fit Benevenes	1.282	1,282	1,202	1,292	1.282	1.202	1,202	1.292	1.282	1.292	7,202	1,262	15.379	1.202
Facultative Fit Recover en Filmer	8.412	0.402	6.40%	3.433	0-01	1.40%	- D ALTE	6400	340	0.40%	0.40%	(C CEN	0.402	8431
Non-proportional Ph. Harrowenes	10	80	80	80	80	80	807	101	88	90	88	80	960	EU
Reproved R Factorian Rate	R20V	0.20%	0.30%	71234	0.200	1.201.	0.00	0.298	0.20%	0.26%	4.200	0.223	0.293	0.339
Red Instanted Claims (excluding CHE)	11.372)	10560	105560	13.52R	0.00507	100500	(7.545)	11,5280	10.950	11,562)	10.570	11,5829	118,5001	11.5021
Nel Clairs Paul	(154)	1984	1044	(5466)	229	19721	11,0541	11.7.81	0.750	1.00	(COMM)	19(3)(47)	[30,454]	pt 324
Howevert in DS Claims Reserve	11.2011	(1.127)	[11:01:0]	(041)	Distrik (	14003	14257	12560	(25)28	(261)	123/1	(203)	12.1453	ariety.
Margament in Productial Margin	0	13433	0.271	11056	(84)	(67)	63	1441	1373	109	17888	1251	17401	DMI
Movement in DRE Second	0	1311	(29)	[238	6110	(14)	829	(10)	119	175	171	161	1164	
Claims Provision Melaginia	1	0	0.0	0	0	. D				0	100	0	0	i i
Valuetari Shain	7		0	.0	đ	0	Ű,	U.	2	ŋ	18	0	0	c
Ret Incorrect Cleans (including CHL)	11,272	0.554	[1,564]	(1.954)	11.5471	ET.5391	(1,545)	[7,509]	11,556	11,5671	0.5771	11,502	119,5021	11,5921
Dans Handing Expense	4		0	0	0	0	0	6		D			0	¢
Other Claims Measure														
Gross Cost of New Claims	0	0		0	0	0	9	<b>D</b> .	10.00	- The CO.		0	1 (Contest) 🕅	ũ
Net Cest of New Claims	(1.360)	11.3821	11.3943	(1.409)	[1.421]	(1.436)	(1.450)	(0.454)	(1.477)	(1.487)	11.5041	[1.513]	(17,295)	11.5241
DissountUnwind	(7)	网	(16)	(20)	64	(77)	\$240)	[37]	.04	(75)	1763	[38]	(100)	(20)
Grass Loss Ratio	0.00%	(8.043)	10.0223	(0.032)	10.0113	06.0130	0.001	0.001	100.8	303.0	0.901	6.0011	(0.013)	0.00%
Hol Loss Hohn (including 12th)	8.38%	8.54%	JR 55X]	(0.2430)	0 1720	(8:123)	83 1253	10.0353	\$8.65783	(0.963)	(0.153)	[01:05.03]	[0.112]	10.05301
Prude diel Merger Flate	12.205	12,2012	12.20%	12,202	12235	12,200	12,20%	12,201	12,294	12.265	12.286	0.32	\$2,260;	12,25%
CHE Rule	2.775	2.77%	2773	12.7件	22.77%	.2708	3274	2.774	272%	1,2378	2275	2.8%	2.77%	277%
Claims Handing Expense (Habrd	11.00%	0.05%	0.000	0.063	8.002	0.003	0.003	11.1873.	8.001	0.003	0.803	0.003	0.002	10002
Movement in OS Claims Pove re (Prus Vegr)	. 1000aŭ		1	0		- 10 A	0	- 010 gr	0.00	1		0.000	er and the second s	0
Howment in DS Clams Resource (Current Yes	11,2411	43,3271	11,0101	19411	IGERI	145831	14261	13500	125128	12673	(237)	120.0	[7,345]	11850
Foot of New Crists	1 <u>1</u>	1.1.1	10.20	- B	4	<ol> <li>Section</li> </ol>		B	, i			0.00		0
Undersanted Pay Fattern Total	102.97	102.97	112.37	102,37	182:37	102.57	102.57	122.97	782.97	102.07	002.57	1位至	1.235.66	102.97
Grass Undiscounted Incurrent Cost	(1,400)	11.4233	11.430]	(1.451)	(1.463)	(1.479)	(1.493)	(1,497)	(1.521)	(1.531)	(1.543)	(1,350)	(17,003)	11.5701
Print Period 05 Claims Heneryn	0	11.2413	12.368)	(2.370)	\$4,2191	(4.005)	15.377)	(5.803)	(6.152)	15.4451	(6.705)	(6.942)	(53.514)	17.1451
Post Period Printestual Margie Reserve	Ű	(156)	12371	14231	15291	16130	16741	(728)	1771	18083	18411	\$8705	(8,710)	10561
PH Dilleronce	0	11401	11271	(105)	1841	(62)	633	2445	(77)	1335	1300	1251	\$7401	1241
Prins Period CHE Anserve	ñ	1240	1561	1041	0171	113%	(145)	(161)	(17/19	1175	11051	(197)	(132)	0.50
CHE Diffuence	ũ	1011	1210	1270	17.00	(14)	1173	1140	(15	10	in	1953	11541	151
Connect Mount: Play		1623	2.023	1000	0.0776	a 2010				11222	100	- 55	1 3322	1 124

The outputs from this tab would flow back to **Initiatives**, **Difference Initiatives**, **Balance Sheet Initiatives**, and **Claim Payment Table Initiatives**. These links would be similar to the links of the **Incurred Claims** tab.

Following the same logic pattern as the discussion of the Claim Projections area of the model, we progress through the Initiatives version of the process in the same manner. Incurred Claims links into the **Claim Payment Table Initiatives** which links through steps 1 through 3 of the Claim Projections process and then links the Claim Expense Provision to the OS Claim Reserve for Initiatives back to the **Incurred Claims Initiatives** tab.

# Claim Payment Table Initiatives

In tab seven, the main differences are that, unlike the Claims Payment Table tab, this seventh tab, Claim Payment Table Initiatives, has a dimension for both Initiative and Difference Initiative and a page for each of the five Initiatives. All other dimensions are the same as the Claim Payment Table tab, and the links in and out of this tab serve the same function.

ieta	tee Diferentinieren	Baleres	ination de	Ditas	Difference billation Vicional			chikative/Weiance, Earned Premier Catchikatives (resumer Chine Initiatives )						liativez		NUR		
2	Commercial Molar-Freed 📃	P Dien	ond (ritition)	1	> WHE		. ÷	*[]=+00			*	# T		-				
the second	Nati Cost of Flow Clares	10	1	-2	3	4	1. B.C		- F		.9	11	11	12	11	- 14	t5	
<b>F</b> ami	0.26.09		161	168	13.88	11.64	1341	578	5.26	1.1	127	328	2.0	in second shift.	1.09	4.11	ά.β4	
Tehd.	0.00	22,20.05	20,252,00	20,200,00	22,253.05	21,212,05	21,25315	10253.08	11253.0	10,201.00	112110	LUNA (I	10,211.00	11,201.0	21,253,05	ALC: NOT A T	10.011	

## Claim Projections(Step 1)Init

The main differences from Step 1 of the Claim Projections process above, STEP1 Undisc Claim Pmts(HIDE), are that this eighth tab, Claim Projections(Step 1)Init, has a dimension for both Initiative and Difference Initiative and a page for each of the five Initiatives. All other dimensions are the same and the links in and out of this tab serve the same function.

BatsPagnant Table initiativ	a: Claim Pr	uinstinutitup	Unit Sain	Projection of the 2	ni Can	Pressionalitap	Sri   Sere	id Aconstant	Technicity	and interve	unceluli@ccCale	1	HARM
Y Connectal Molar - Feet	• • fd	s DM		Difference Inio	esines	• • • • • • • •		· *	[ minute 1				
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Meneral Factor	24.255434	34,203404	24.355454	24 235454	24.393404	24 235454	24 200404	24.203454	24.255454 Ball 749.22	24.295434	24,200404 1,354,254,47	24.223434	2111 5823 7 982 023

## Claim Projections(Step 2)Init

In the Blueprint's ninth tab, Claim Projections(Step 2)Init, the main differences from Step 2 of the Claim Projections process above, STEP2 Disc Claim Pmts (HIDE) are that this tab has a dimension for both Initiative and Difference Initiative and a page for each of the five Initiatives. All other dimensions are the same and the links in and out of this tab serve the same function.

1.9	an Payment Table	infaitures	Uan Proschord	Cisa Tint	Claim Projector	ufStep 23nt	Clam Property	nillite Ini	Carnetal Rooms	ctore   Initia	diffusion of	Difference initiative.	(m)	HICH
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	4448	ALL OF	341-06	Co it	hije DB	Des OS	Jan III	16.17	Harter.	We ST.	TUANT	Jun 87	Findal 07	4407
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1	1234.74	1252418	201252.00	38.545.0		62,982.00	13,301,40	0.444.04	他来14.50	110.022.00	141.536-85	10121032	044,413,22	102.100.95
2	3,003,90	17,347.03	34577.21	64,213,2	2 63.041.55	82.216.55	35,903.00	20,186.03	132.674.70	164,675.64	1337611	1 223,299,26	1,103,504 (3)	285,336.00
5	1.683.90.	17.347.13	34,577,25	54,2137	<ol> <li>68.04136.</li> </ol>	N7.238.51	15,163.35	155,188 83	12.97170	154,678,64	136,455.11	1 223,293,20	1,169,564.43	252.336.08
	1.083.90	17,347.0	34.577.23	14,2137	E REDUCTS	87,238.58	10,063.38	55,185,17	137,874,70	TREE73 64	195465.11	105195255 1	1,1025504-43	2223810
5	1,104.00	6.680.87	13,442,75	20.035	25.501.45	33437.17	3230900	30,967,06	+0107.70	1331811	75.131.01	15:00:00	449,505.40	(E-300.15
6	1.754.36	8 S85 T	15.44275	20.8353	1. 26504.45	11522.17	12,999,96	35,367,06	83.627.70	63,368,01	26,131.03	04.023838 I	449,505.40	55 30C 15
1	1.901.00	0.000.17	12,442,73	20805.0	25.514.40	1152717	22,883.06	18,967.05	1080270	67.358.07	25.121.01	04(23)(0)	449,505 40	SE 30015
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	SEADE:	2.898.13	1.722.78	6.870.1	41.254 DB	\$4,772.98	14,048.45	15,737.00	27574.64	25.578.68	31,964.32	16,034.90	491.366.78	41.325.82
10	\$64.05	2,533,13	1.722.75	6,070.1	II.298.08	14,772.98	14,343,41	15,737.40	12574.64	26,676.68	31,964.37	15,534.95	101.360.70	41,205,87
11	217.74	1.00110	200006	6.1014	1.127.10	678.52	KAND	7 822-23	TODALE	12,7/2102	15,004 (1	17,25149	30.258.53	1147144
12	217.74	1 236 59	209904	4,1634	5 3:7 58	828.92	882599	2 822 23	10.644.85	12/23/00	15,064,78	12,293,991	90.251.53	1947154
13	212.24	1,330,11	2638108	63634	1.327.98	6.73 57	6425.03	7.622.23	TO FRE RR	12,220,00	18,001.78	17,550.90	101-2537-313	10.477.04
14	10240	251.44	150560	2,526,70	3,066,30	240648	38022	4,308,52	6.126.85	7.578.07	8.7500	9,994,96	52 251 81	11.296.05
15	177.90	775 45	1765.60	24766	104100	19/444	2343.77	4 305 32	6175.81	7 390 07	6.770.03	9,991,95	72 051 41	11 194 65
10	117.10	275.40	1505.00	74700	1081.00	191441	33077	4 305 22	6.475.00	7,000.07	67700	0.094.95	52 351 41	11 294 50
12	24.00	421.25	ENCIEL.	1 814	1 221.20	22020	2,314,01	12 4400 120	10041-007	1 2 2 2 3	6.07.7.90	6.221 BC	101 1077 105	A 672 21
140	20.00			1,004.0	1 100	10.000 00	20000		2042-02	1 1 1 1 1	10.70	K KINA	10,0000,000	1 ALTON
40	72.00		0.0 01	1.000 10	1 Present	100000	200000	2400.00	1.000	4 200 00		1 0.010F	30,622,85	2,013,011
20	10.00	345.0	100,000	1,001.0	i contener	1,200,63	2.074.00	2,000,00	- 1000 Miles	100.00	2012.0	1 0.1010 <sup>1</sup>	00,555,00	3.0 1.21
241	410	are re	200,044	0004.0	i internet		1.000	200.02	A STREET	and the second	3110.0	200100	10,650,75	1,000,00
12	48.05	- 200-0	tor at	024.5	1.101.31	1,259,50	1,363.00	1,034.3.1	2200.95	263110	1115.32	31061 305	18,806.70	4,000.12
四	48.02	476.75	200.000	004.0	. 20185	1,20,00	1,000,00	1,534,54	2,200,00	2.638.00	2110-0	200100	16,606,70	4,025,17
100		100.00	26.1	60.0	701.45	2008.00	174.31	1,011-48	1256.61	10/100		10000	13,272.62	196242
24	720.32	4 383 55	82265.97	12,700.0	15275.30	2020872	20.242.24	22:375-70	12.527.45	30.070.25	40.065,73	5264265	275.728.04	50.0011
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AE I	18,894.38	105,878.38	213,485.41	338,895 8	8 621,394,47	\$32,446.06	524,078,82	587.675 62	847,134.64	1,026,350.38	1,113,157.98	1.362,316.43	7,138,809.92	1,541,144,58
16.2	16,500.04	91,354.72	100,232.81	251,254.70	371 548 48	465,463.91	462,073.52	517,631.55	747,570.00	887,311,05	1,852,821,43	1.701.530.52	15,254,156,74	1.357.304.62
AE 3	13,439.15	75.007.19	153,255,32	237,541.0	302 507.53	312,228,43	376,218.14	421.445.60	604.548.38	722,401.34	356 525 31	1 170,400.37	5.124,612.31	1.105.027.04
ALC 4	10.418.25	38,868,15	118,278.03	183,327.3	E 233.466.58	254,932.07	238,352.78	325,259.13	466.570.68	357,551.65	\$81,949,25	1 755.181.17	1.925.827.87	053,291.45
46.3	7,337,36	AD 303 12	83,300.75	129,113 @	1 164,425,63	287,757.31	204,403,38	22310/321	328,515 94	352,671,97	465,563.11	AR, 198, 197	2,718,443,44	681.205.47
ALS	6,153.28	34,645,15	03.857.96	188,277.6	E 107,8291,18	174,230.14	171,403.57	192,101,15	275,550.26	329,363.98	380,432.15	145,301.57	2.05.501.63	503:575:32
A6 7	4,968,28	27,579-18	06,410.16	87,441.77	111,256.73	140,792.97	138,481 77	105.139.48	222,540.56	265,935,83	315,301.10	360,161.17	1.886,432,63	405.595.16
A6 B	3,785.12	21,012,21	42,812,31	\$5,585.8	04.822.78	107,175.00	105.403.57	110.172.84	168,512,06	202,567,76	248,170.17	274.348.78	1.436.527.23	208.015.01
AL P	3,201,05	18.471.18	37.741.55	57,735.7	73.526.19	12,562,61	11,441.41	102.434.64	146.336.22	179.551.08	210(110).04	1 227.305.92	1 245 588 44	258,729,118
AG-TP.	2,778.97	15,635.70	31.525.00	49,945.5	62,230,10	78,629,83	77.202.01	85.697.24	124.363.58	140.074.40	178,201.52	201.270.00	1,054,205.66	227.443.20
AE 11	2,272.011	12,797,54	25,004.01	20,995.4	80,934,01	64,395.84	62,344,53	70.553.85	101,798.94	121.637.72	144,217 11	164,725,92	882 844 87	106.157.56
AE 17	2.035.15	11,458,54	23.104.58	35,812.0	45.605.44	57,625,76	56,712.84	61537.62	51.142.08	108.914.71	129.132.43	147.504.54	772 551 34	116 685 32
46 12	1,797.41	10.120.25	20,405.94	21,529,5	40.278.86	50,893,69	50,093,16	56,115,30	60,495 18	96,191.69	114,047.63	120.273.95	682,341.82	147,214,28
85.14	1.355.67	8,701,78	12,785,38	27.445.33	14 19 12	44.152.12	43.457.47	4414213-15	821.9411.22	63.458.57	100,0002,000	111.942.96	\$207 USES 259	127.742.84
AB 11	1.421.22	8.005.20	18 141 10	25 018 5	51 260 15	40.757.47	35,874,15	44 107 84	83.672.98	ZN ORB SE	90 212 83	303.048.03	5 25 7 25 28	115 447 55
10.11	1.283.87	7 228 (4	14 535 21	22.551 1	29 720 65	36 357 73	35,709,92	40,002,52	57 416 26	60,200,53	11 453 (1)	53 853 AL	407 309 37	105 553 33
AE TT	1 145 05	5 452 30	12 616 11	20 165 2	25 600 25	12 645 04	71 507 64	75 777 71	51 120 21	51 320 45	72 712 21	P1 858 11	425 837 77	93 1991 67
00.10	1.054.98	5 007 10	12 312 28	18 773 44	21.900.00	10 708 74	29 233 62	33,500,21	47 729 34	57 858 16	67 1544 164	37 376 26	405 035 21	87.981.46
06.15	957.00	5 565 03	15 214 45	17 382 0	22.125.47	37 665 14	22 525 53	30,639,24	44 337 57	53 953 95	12 675 93	71 554 38	174 993 10	93 904 34
40.10	307.00	2.061.02	10,214,40	10,000.00	ac.100.97	27.090.04	67.003.00	30,633,21	11.035.00	41 5 51 5 5	02,070.32	1,304,30	244,203,10	00,000,20
40.21	155.52	4 000 00	10,010,02	10.000	10.000.00	14 130 23	23,003,00	20.0000	100 4004 30	40,001,02	57,050 31	63.366.56	100,000,000	10.401.00
10.00	1032.57	1.0000	3,758 67	10,123.54	11,252,44	24,338.74	22,203,31	20,015,001	10,404,31	41,001,42	24,340,07	10,000,000	201.014.00	70,400,000
10.22	ULU O	4,1003.11	3,201,73	14,210.0	10.161.12	22,947.20	22,504.25	25,201,50	30,254,01	41.1/1.1	51,422,31	56,726,55	307 ASY 11	00.070.00
40.23	010.43	4,063.11	3,200,73	14,260.9	10,061,03	22,343.20	22,505.25	A.301 SB	36,758.01	43,371,38	51,422,31	140,730,05	307 657 61	No. 575.83
10.04	116.32	4,003.55	8,741.17	17,768.8	11.76.38	20,965,73	29,247.24	22,675,78	32,917 45	38,870.25	46,003.72	32,842,88	215,728.64	93,468,11
A6 25	0.00	0.00	0.96	8.0	0.00	0.03	0.00	0.00	8.01	0.00	0.00	8.00	08.0	0.00

# Claim Projections(Step 3)Init

The main differences from **STEP3 Discount Unwind**(**HIDE**), the third step in the Claim Projections Process in the Insurance Product Profitability application, are that this tenth tab, **Claim Projections**(**Step 3**)**Init**, has a dimension for both Initiative and Difference Initiative and a page for each of the five Initiatives. All other dimensions are the same and the links in and out of this tab serve the same function.

BaraFagmant Falls int	idens -	Ger	PapetereSta	10 1	lan Hopstandi k	1.2m U	lan Payaclana[Sice	Ind Beard	Acceptan	schried Paunutan	Citerrented	lan Cale		<b>HEE</b>
P DConversation - Fe		2][	in Dain Figure	**	Delerence	livition .	• • [RH	a a a a frequencia real fo		liston I				
Appropriate	121.68	178	Aug (1) 137,296,92	149-01 361,196.64	0.9-38 690,375.68	1.076,794	1.527,938,20	Javit? 1.093,347.33	Feb.07 2,258,884.31	M#107 2,637,334.63	April/ 3.510,676 11	Hay C! 4,292,276.34	5.146,247.24	1111 E
Monifolio Discourie Riske Proves	0.030	049	0.8259200	0.000149	0.048196	0.0552	13 0.060293	0.070342	0.00039) 0.32	0.050445	0.180480	0.118530	0.126607	
Chans Engenner Provining	21,080	1.06	137.634.27	362,761.04	694,326.02	1.084.226	74 1.540,192.36	1,911,294,38	2,282,867.73	2,868,351,25	3.543,515.29	4.341,941.52	5,208,126.33	24.6

## General Assumptions

General Assumptions, the eleventh tab, is used to store the Global Assumptions used throughout the model. These assumptions are established by corporate and do not vary by product or brand. General Assumptions is a Read-Only tab and its data is used in Payment Pattern, Claim Projections(Step 3)Init, and Difference Initiative Calc.

Claim Projections(Step 3)Init	General Assumptions
	Value
Discount Rate	6.03%
Investment Income Rate (Annual)	6.00%
Investment Income Rate	0.49%
Trend Method Default	Same Period Previous Year
Aggregated	100.00
Monthly Discount Rate	1.000000
Power	1.00
Management Expenses	1

## **Technical Parameters**

Technical Parameters, the twelfth tab, is used to store model parameters that are established by corporate. All the parameters are rates and may vary by product and brand. Technical Parameters stores the history parameter changes and the parameter currently in use. It is a Read-Only tab in the model. Technical Parameters is used in the Incurred Claims Initiatives tab. These parameters, by design, default to those used in the Insurance Product Profitability tab.

Clark Projection (Files 38-4)	Secondaria	opine	Technical P	*aramotere	Diere	init.eC	-   D	Treatment	Comments	Terro Cali	Pantos	Patter	Previou Spec	dian	NAMOT:	inter	8	388
Y Scourcelline - Peet		Address of the second			ANT	Contraction & Param				The state of the second			and produced by Arris Arris					
	1496	Aq.05	liqu0i.	0,405	No+CK	On to	ANT IN	Pat 47	Ha 07	Aprill	Haydi	34047	Facal 07	AUTO.	Auril	Sept7	Def-07	Noy 62
Proportional 71179-449	1.000	1.06%	1.004	1.003	1.004	1.084	1.052	1.004	1.00%	1.063	1.05%	1.00%	1.00%	1.004	1.101	1.003	1.003	1.00
Mangropolitic of FL Flate	1.082	1.0000	1.002	1.001	1.002	1.862	1.003;	1.002	1.00%	1.002	1.003	1.002	1.083	1.001	1.00%	1.002	1.002	1.002
Taculta ve fillina	1.412	8.81%	8.012	8.012	11.01.2	8.012	8.012	8.015	8.81%	8.012	8.012	8.01%	8.812	8.011	8.81%	li di h	ROTE	8.61
Termina Logo Rate	4.762	4 262	4.282	4.202	8.201	4.283	4,288	4.201	4,788	4.261	4 288	4.201	6.202	4.201	4.28%	6 203	1,282	4.283
President Hilbertreaker filmt	0.465	0.40%	8.402	0.403	0.46%	0.403	0.412	0.403	0.40%	11.4112	0.482	8.40%	0.493	0.403	0.40%	0.40%	11.402	0.485
Faculturine Ri Rocovenica Ruter	0.40%	0.48%	0.494	0.40%	11.48%	0.4E%	0,403	.0.40%	0.48%	0.40%	0.40%	0.405	0.48%	0,481	0.40%	0.484	0,492	0,40
Manuscreation of Personal Parts	0.700	0.20%	8.26%	0.2018	0.701	11.26%	0.2010	0.201	0,000	0.26%	0.200	0.200	0.00%	11,2004	0,7010	0.20%	0.201	0.201
Productive Munger Plans	12.20%	12.20%	12.293	12.203	12.29%	12.24%	12.29%	12.20%	12.20%	12.28%	12.293	12.20%	12.205	12,283	12.29%	12.26%	12.29%	12.28
CHE Rate	2.77%	2.77%	2.772	2.77%	2.77%	2.77%	2.77%	2.77%	2.77%	2.27%	2.77%	2.774	2.77%	2.77%	2.77%	2.77%	2.772	2.77

## Time Calc

The fifteenth tab in the *Blueprin*t is **Time Calc**, which provides for an automated rolling forecast and requires no input from the user. It may be hidden at the discretion of the Cognos Contributor administrator. **Time Calc** is used as an allocation table in the link EarnedPremCalcInit(Internal) and as a source of data for the **Difference Initiatives** and **Incurred Claims Initiatives** tabs.

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## Payment Pattern

The sixteenth tab of the *Blueprint*, **Payment Pattern**, is where Discounted Pay Pattern is entered. This number may be entered by users or be pre-loaded by actuaries. In the event that **Payment Pattern** is pre-entered, the tab may be hidden or set to *Read-Only*. Discounted Pay Pattern is the payment pattern of the undiscounted claims cashflows. For a detailed explanation of Discounted Pay Pattern see the side bar on page 33.

The Payment Pattern tab calculates Development Month, then uses it and Discounted Pay Pattern to arrive at the Undiscounted PayPattern.

The Payment Pattern tab has Discount Rate linked into it from the General Assumptions tab. Discount Rate is converted to a Monthly Discount Rate; then Monthly Discount Rate is used to calculate the Unwind Factor.

Unwind Factor is the number applied to Claims Payment Phasing to arrive at an Unwound Payment, that is, the Undiscounted Cost of the Claim.

The information calculated in this tab is used by a number of other tabs throughout the model. It feeds Development Month to the **Premium Spread Calc**, which is then used in calculating Earned and Unearned Premiums.

The Undiscounted Pay Pattern is used in the Claim Payment Tables Initiatives, the total of the Undiscounted Pay Pattern is used within the Incurred Claims Initiatives tab, the Unwind Factor is used in the first step of the Claim Projections(Step 1)Init tab, while Monthly Discount Rate and Power are used in the third step of Claim Projections. All of these calculations have been discussed above. Please refer to the Claim Payment Pattern tab in the Insurance Product Profitability portion of this Implementation Guide.

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Observat Faite	6.03%	6.03%	8.00%	6.035	6.62%	san.	0.025	0.03%	: :0m	8.033	6.89%	0.035	8.00%	\$.005
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Humind Factor	8.997563	0.352700	11 587876	8 983087	0.576282	8.573571	0.968762	0.068867	0.055374	0.954704	0.550057	0.045433	0.240631	0.336252
Howind Factor (Lag-1)	8.332798	0.967975	0.503007	0.070287	0.973521	8.503782	11:35:4067	# 5520374	6.954704	0.250157	10.545400	0.340821	8.50625/2	0.101635
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The Discounted Pay Pattern may cover from 1 to 241 periods. Since we are doing a 24-month forecast, development months 25 to 240 are accounted for in the 25th development month of the model.

# Premium Spread Calc

The seventeenth tab of the *Blueprint*, **Premium Spread Calc**, offers the ability to enter Premium Period, the "cover period", the number of months the Premium is to be spread over. The Premium Spread will be the same here, as the selection made in **Premium Spread Calc** in the *Insurance Product Profitability* application. The phasing calculated in this tab is used in the **Earned Premium Calc Initiatives** tab.

P	remium Spread Calc	Earned Premium	Calc Initiatives
*	Commercial Motor - Fi	eet 💌	
-	Development Month	Premium Period	Phasing
0	0	0	4.166667
1	1	20	8.333333
2	2	0	8.333333
3	3	0	8,333333
4	- 4	0	8.333333
5	5	0	8.333333
6	6	0	8.333333
7	7	0	8.333333
8	8	0	8.333333
9	9	0	8.333333
10	10	0	8.333333
11	11	0	8.333333
12	12	.0	4.166667
## Initiatives Transfer

The eighteenth and final tab in the Blueprint is Initiatives Transfer, which serves as the interface between the Insurance Product Profitability Initiatives application and the Insurance Product Profitability model. It is the source of the Initiatives selected for the Insurance Product Profitability model. The Contributor application administrator may elect to hide this tab from the user.

Claim Protection of Step 31m1 General	Assumptions	Technical Parameters	Difference trated vs. Calc	Distintatives Maivonants	Time Calc	Partent Patern	Pronour Spread Calo	Initiatives Transfer
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E-ponze - New Net)	2,715	0	4.000					
Premaro / New	1.346,741	268,548	4.000.000					
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There are no selections made within the *Insurance Product Profitability Initiatives* application for this tab as it defaults to selections made in the *Insurance Product Profitability* portion of the *Blueprint*.

Contributors to the application plan in their local currency, and any conversion takes place within the target application.

## ABOUT THE COGNOS INNOVATION CENTER FOR PERFORMANCE MANAGEMENT

The Cognos Innovation Center was established in North America and Europe to advance the understanding of proven planning and performance management techniques, technologies, and practices. The Innovation Center is dedicated to transforming routine performance management practices into "next practices" that help cut costs, streamline processes, boost productivity, enable rapid response to opportunity, and increase management visibility.

Staffed globally by experts in planning, technology, and performance and strategy management, the Innovation Center partners with more than 600 Cognos customers, academics, industry leaders, and others seeking to accelerate adoption, reduce risk, and maximize the impact of technology-enabled performance management practices.

