

SmartCommissions User Guide

SmartOffice®



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Introduction to Commission Tracking

SmartCommissions (also referred to as the Commission Tracking Module or CTM) performs a wide range of functions within the office. CTM projects expected commissions and reports on the projections, validates expected commissions vs. received commissions, creates statements for the payment of other parties associated with the case that are not paid by the carrier, exports data to accounting packages and provides historical reporting. Commission Tracking works in conjunction with the Pending Case Management, Group Policy, and Individual Policy modules of SmartOffice.

- CTM can be used as a forecasting tool to project future revenues. Establish commission rates identifying the payout percents to all parties associated with a policy through the use of contracts and the establishment of hierarchies within these contracts. This information, once attached to a policy, enables projections to be performed for the years specified.
- A Carrier Interface tool enables ACORD standard commission files to be automatically retrieved from the DataXchange and validated within the commission system. NAILBA 900 commission files can be manually loaded using this same interface.
- The Speed Receipt entry feature was designed for offices whose workflow calls for data entry of the entire statement with the validation of expected vs. received occurring by the Commission department for the error policies only. This speed receipt entry feature also allows for the importing of transaction data in a non-standard format. If the data can be placed into a comma-delimited format, it can be imported into this application for validation.
- The commission validation component is used to reconcile what was received from the carrier against what was expected. This validation identifies any overpayments and underpayments and opens the process to pay additional parties associated with the policy.
- The Commission statement feature generates commission statements and enables a commission export of this payment data to specified accounting packages.
- Reporting is available on both the projection transactions and the historical records of all actual commissions received and reconciled.
- Legacy system advisor transactions can be imported into SmartOffice using a utility found in SmartCommissions.

This guide is used to establish security, setup the default values of the system, define information within the advisor and case to project commissions, process commission checks, generate statements, export the payment data, and run reports.

Commission Tracking Security

Security for SmartCommissions is based on the user roles within the office. There are several levels of security that will give the user just enough commission access to properly perform their office functions while enabling management to build in security at the highest level and protect the payment information at the House level.

SmartPolicies:

- Advisor Contract/License Management – if the user is required to establish commission contracts for the advisor/agency records, this role is required. Specific options available when this option is enabled include:

From within the Advisor/Agency Record:

- License/E&O tab
- Contract/Appointment tab
 - The View Contract Hierarchy option will display the full hierarchy linked to the contract.
 - The Related Policies option will display all policies linked to this specific contract.
 - The Related Commission rates will allow a view only into the commission rates for the contract displayed.
 - Process Contract Commission – will mass update all policies that match the carrier, line of business and effective/expiration date range of the contract. It will review the Policy and Pending Case records for where this advisor is the primary advisor and will automatically build the hierarchy and create commission projections.

- CTM Rate Entry – This role is found under the SmartPolicies section of security. It provides access to contract setup and commission rate setup. Specific menu options available when this option is enabled include:

From PCM/Policy Setup:

- Contract Search
- Commission Rate Entry

SmartCommissions Advanced:

- CTM Administrator - This security level enables access to all functions of the commission system. This includes carrier postings of commission checks, expected vs. received reconciliation, and all reporting functionality and special utilities that will be used to mass modify the commission records.

The specific menu options available when this option is enabled include:

From Advisor:

The ability to automatically assign a supervisor during contract add.

From PCM/Policy:

- List Commission Records (for all levels)
- Error Log for the Commission Tracking Module
- Advanced Commission Payouts
- Illustration Import
- Commission Notes

From CTM:

- Speed Receipt Entry
- Carrier Posting
- Batch Processing
- Advisor Statements
- Carrier Interface
- Mass Commission Projections
- Reports
- Error Log
- Suspense Items
- Setup

- CTM Advisor View - Not to be confused with the SmartView for Advisor product, this level restricts how much commission data a person in the office can view over and above the access the user may already have to specific advisors within the system. CTM allows for a variety of levels of payment. The hierarchy begins at the advisor level and expands through all supervisors up to the house level. The CTM Advisor view access enables the viewing of commission records at the advisor level only. Supervisor and House transactions will not be available for viewing.

Specific menu options available include:

From Advisor:

The ability to automatically assign a supervisor during contract add.

From PCM/Policy:

- List Commission Records (for Advisor level only)
- Error Log for the Commission Tracking Module
- Commission Notes

From CTM:

Advisor Statements (for Advisor level only)

- CTM Supervisor View – Similar to the description given for the CTM Advisor View, this level enables access to commission records for the advisor and supervisor levels.

The specific menu options available when this option is enabled include:

From Advisor:

- The ability to automatically assign a supervisor during contract add.
- Commission tab
- SmartCheck tab

From PCM/Policy:

- List Commission Records (for Advisor and Supervisor levels)
- Error Log for the Commission Tracking Module
- Commission Notes

From CTM:

- Advisor Statements (for Advisor and Supervisor levels)
- Error Log
- CTM House View – This view enables full view access to all levels of payment in the hierarchy chain.

The specific menu options available when this option is enabled include:

From Advisor:

- The ability to automatically assign a supervisor during contract add.
- Commission tab
- SmartCheck tab

From PCM/Policy:

- List Commission Records for all levels
- Error Log for the Commission Tracking Module
- Advanced Commission Split
- Illustration Import
- Commission Notes

From CTM:

- Advisor Statements for all levels
- Reports
- Error Log

SmartCommissions Base:

- Carrier Interface – This role turns on the ability to receive electronic downloads from Insurance Carriers. This role can be turned on independently from the other CTM roles. It does not require a CTM license. Used as a stand-alone interface, this feature can accept ACORD standard files from the Carriers through DataXchange and make the data available through the Advisor and Policy tab sets.

Specific menu options available include:

From Advisor: Carrier Interface tab

From Policy: Carrier Interface tab

A new Carrier Interface menu option will be available to enable an administration user to view the incoming data files.

Suggested privileges to give to specific users in your office:

- Case Manager:
 - The roles assigned will depend on the level of advisor access they are given. If the case manager adds a case, and the CTM module is activated, commissions will automatically project regardless of the CTM role for this user. The user will not be able to modify the commission payouts or rates without the CTM Administrator and CTM Rate entry roles.
 - Advisor Contract/License role (if the case manager will also establish the hierarchy for a new agent and assign a contract)

- Commission Department employees:
 - CTM Rate Entry
 - SmartCommissions – Carrier Interface
 - CTM Administrator
 - Advisor Contract/License Maintenance
- Resource people to maintain the tables in the database:
 - CTM Rate Entry
- Management
 - CTM House View
- In House Supervisors
 - CTM Supervisor View
- In House Advisors
 - CTM Advisor View
- Licensing/Contracting users
 - Advisor License/Contract Role

Contract/Rate Setup vs. Advanced Commission Split

SmartCommissions allows two unique ways of establishing rates and projecting commissions. Contract/Rate Setup is a method where the advisors are grouped by payout level and they are placed on a contract that represents that payout level. The contract links to product-specific rates or in some cases to a default blanket rate for all products.

Throughout this document, you will find references to both methods of using SmartCommissions.

Commission Base Setup

In order for SmartCommissions to be used properly, the following items must be set up:

- Determine if you will be using the Contract/Rate Setup or Advanced Commission Split as the method of completing commission projections.

Key differences in the two solutions:

- Contracts/Rates are established and assigned to a given advisor. After the assignment, all cases that are entered into SmartOffice are automatically assigned the commission rates and commission projections are generated.
 - Advanced Commission Split configuration requires the user to define the commission breakdown on a case-by-case basis. Also, information must be entered as to the premium and commission expected to be received per year of the policy. This data can be obtained from the original illustration and an import process is available. Once these two pieces of data have been made available within the policy, commission projections can be generated.
- Establish commission configuration defaults at the office level.
 - Establish commission configuration defaults at the carrier level.

For Contract/Rate configuration:

- Define commission contracts by carrier
- Define rates
- Link contracts to advisors, supervisors, and the house account
- Create hierarchy for levels of payments.
- It is assumed that the Carrier, Product, and Advisor records have already been established.

For Advanced Commission Split configuration:

- Define Split definitions in the setup file
- Define illustration import templates (optional)

Establish Default Values

Office Level Defaults – Carrier Posting Setup

The initial default values of the commission module will be established by using the **Setup** menu option from the **CTM** expanded menu. The CTM ADMIN security role is required to obtain access to this function.

Carrier Posting Setup	
<p>System Tolerance Information</p> <p><i>This is the default system tolerance for this office for the first year and the renewal year. The carrier tolerance field overrides the system tolerance. If a tolerance amount is not defined for the carrier, then the system tolerance is used. If neither tolerance is defined, then \$0 is taken as the tolerance. This tolerance amount is used for automatic reconciliation with the Nailba, XMLife download system. If the commission amount difference between the generated expected commission amount and the amount mentioned in the Nailba, XMLife system are less than the tolerance amount then the automatic reconciliation of commission records will occur.</i></p> <p>First Year Tolerance (\$) 0.0500 Renewal Tolerance (\$) 1.0000</p>	<p>System Minimum Check Amount</p> <p><i>This sets the system minimum check amount for this office, which is the total of the selected commission records to be processed in a batch for an Advisor. There is a minimum check amount that can be set for each advisor. The Advisor minimum check amount overrides this field. If neither value is defined, there is no minimum amount, and all checks can be processed. The System will accumulate all advisor commissions until the accumulated commission amount does not reach the Min-Check amount. Once the accumulated amount reaches the min-check amount, all such transactions will be available for batch processing (releasing the check to the advisor).</i></p> <p>Min. Check Amt.(%) 25.0000</p>
<p>Customize Commission Tracking Yrs</p> <p><i>This sets the default number of years for which commission records will be tracked and will display while posting a check from the Carrier.</i></p> <p>Enable Comm. Track Yrs. No Filter Commission Tracking Yrs 1</p>	<p>System Write Off Information</p> <p><i>This is the default system Write Off amount for this office for the first year and the renewal year. The Write-Off amount restricts the user from reconciliation of commissions if the difference is greater than the specified Write-Off amount.</i></p> <p>First Year (\$) 1.0000 Renewal (\$) 25.0000</p>
<p><input type="button" value="Close"/></p>	

Select **Setup** from the **CTM** expanded menu to access the CTM Setup information. There are two areas of setup required, Carrier Posting Setup and Commission Calculation Setup.

Carrier Posting Setup field descriptions:

- System Tolerance Information** for first year and renewal. SmartOffice allows transactions to be automatically placed into the system through the NAILBA standard download process. During the process, a user may want to initiate a carrier posting based on the data found in the NAILBA file. Instead of forcing a 100% match on the values, the Commission Tracking system has allowed a tolerance to be built. If the incoming data file is within the identified tolerance outlined by the office, the transaction will be marked as reconciled and any discrepancy is placed in the difference field for later reporting. This tolerance option will also be used when using speed receipt entry to obtain the commission statement data. If the data entered through speed receipt entry is linked to an expected commission record of the policy, and is within the tolerance identified in this section, the transaction will move to the carrier posting in a Reconciled (Speed Receipt Entry) status.

- **Customize Commission Tracking Years** section will control what policies are displayed in the carrier posting application. If the Enable Comm Track Yrs is set to **Yes**, then only the policies that have the option selected for Track Policies will be displayed and only the number of years identified in the Commission Tracking years will be displayed. Commission Tracking Yrs sets the default number of years for which commission records will be tracked and will display while posting a check from the Carrier. If 1 is identified in this section then only first year commission records will display in the Carrier posting application.
- **Minimum Check Amount** enables a minimum to be identified when exporting transactions to the check writer. Any advisor check that is not above the minimum check amount will be retained within the commission system until the total of all transactions is above this amount. Within each advisor record, a field is also found called Minimum Check Amount. If there is any deviance from the system default, the advisor record minimum check amount will be used.
- **System Write Off Information** enables the system administrator to establish a maximum write off amount for the office. This is a security feature so a commission user does not write off a large dollar amount while reconciling a carrier posting.

Finally, an option is available through a button at the top of the screen called: License/Contract/Appointment Check Setup. Through this button, one will control a process during carrier posting that will hold advisor commission transactions due to a problem in any of these three areas.

Carrier Posting Setup - License/Contract/Appointment Check Setup

First Year	Renewal Year
<input checked="" type="checkbox"/> FY Advisor State License Check	<input checked="" type="checkbox"/> Renewal Advisor State License Check
<input checked="" type="checkbox"/> FY Advisor Appointment Check	<input checked="" type="checkbox"/> Renewal Advisor Appointment Check
<input type="checkbox"/> FY Advisor Contract Check	<input type="checkbox"/> Renewal Advisor Contract Check
<input type="checkbox"/> FY Supervisor State License Check	<input type="checkbox"/> Renewal Supervisor State License Check
<input type="checkbox"/> FY Supervisor Appointment Check	<input type="checkbox"/> Renewal Supervisor Appointment Check
<input type="checkbox"/> FY Supervisor Contract Check	<input type="checkbox"/> Renewal Supervisor Contract Check

As a configuration option, the user should select the options required during the carrier posting. The options are for both the advisors listed on the policy as well as for the supervisors.

Office Level Defaults – Commission Calculation Setup

Calculation Setup

<p>Auto Commission Projection Info</p> <p><i>This sets the default number of years for which commission records are automatically projected when a case is entered into the system.</i></p> <p>No. of Comm. Projection 2 Yrs.</p> <p>Accumulate Prem Comp Base + Flat Extra + Fee</p>	<p>Default House Account</p> <p>Name Westlake Insurance Group Westlake Insurance Group</p>
<p>Default Supervisor for New Advisor</p> <p><i>This sets the specified Supervisor for an Advisor while adding a new advisor into the system.</i></p> <p>Supervisor Name Best Brokerage Agency</p>	<p>Default Broker/Dealer</p> <p>Broker/Dealer Name Leon Tedesco</p> <p>First Year Renewal Year</p>
<p>Projection Validity Date Range</p> <p>Date Range 5</p>	<p>Def. Setting For Split Import</p> <p>Percentage Of Base Commission</p> <p>From Year 1 Through Year 99</p>
<p>Default Illustration Import Template</p> <p>Name</p>	<p>Default Rates</p> <p>Discount Rate 3.0 Retention Rate 4.0</p>
	<p>Validation Checks</p> <p>Block Adv. Contract checks <input type="checkbox"/></p> <p>Use Split Comm. Rate <input checked="" type="checkbox"/></p>

- Auto Commission Projection Information** defines the number of years to project commissions automatically when the case is entered into the system and identifies which premium components found on a case should be accumulated when comparing when the target has been reached. This option is utilized when contracts have been established and used for the purpose of commission projections.
- Default Supervisor for New Advisor** enables the establishment of the default supervisor when adding a new Advisor into the system. This default reduces the number of keystrokes required when adding a new Advisor into the system. At any time, the user can change the supervisor if it is different from the default.
- Projection Validity Date Range** is used in the Speed Receipt entry function of SmartCommissions. The due date of a transaction is one field required during the speed receipt entry function. This due date will be used to locate a projection within the Policy Expected Commission Summary. The projection validity date range is a variance to allow a match of a due date to a projection when the dates are not an exact match. For example, a due date may be 1/1/2005 and the commission projection found within SmartOffice may be 1/2/2005. If a projection validity date range of 5 was entered then the transaction of speed receipt entry will match the projection. If the projection validity date range is 0 then the speed receipt entry function will issue a message that the projection is out of the date range and the user must correct the due date or manually calculate commissions for this due date.

- **Default Illustration Import Template** is the default template created to import illustration data into a pending case or policy record. A default can be defined if all illustration programs support a specific import format. Additional templates can be created and selected at the time of import. This option is used when utilizing the Advanced Commission Split method of projecting commissions.
- **Default House Account** is used for the Advanced Commission Split calculation. It is used to default the house account when an advanced commission split definition calls for the role of the house account. If no default house account is specified, the user can select a house account during the establishment of the advanced commission split on the pending case or policy.
- The **Default Broker Dealer** section is used for the Advanced Commission Split calculation setup. The user will default the Broker Dealer to be established to the pending case/policy. The first year and renewal fields are percentages that can be defaulted when establishing the broker dealer on the given pending case/policy record. The user will have the opportunity to change the broker dealer on the individual pending case/policy record as well as the percentages that were also defined.
- The **Default Setting for Split Import** setting is used for establishing default values when importing commission split definition import data. The import utility is designed to take data from a sending system and import this data into the Advanced Commission Split definition of a pending case/policy record. Percentage Of will identify what the rates that are being imported represent. Premium or Base Commissions are two options. Base Commission represents the total compensation being paid to the house on this policy. From year and Through year are default values to establish the number of years commissions will be paid.
- **Default Rates** of Discount and Retention can be identified for reporting purposes only.
- **Validation Checks** will allow contract checks to be turned off during pending case or policy management if Advanced Commission Splits are being used. Use Commission Split Rate will identify if advanced commission split calculations are in use for this installation.

Carrier Level Defaults

A second level of setup is found at the carrier level. When performing any processing within SmartOffice, the carrier level will be reviewed to see if there are any setup values identified and if not, the office level defaults will be used.

Carrier - ABC Life

[Home] [Back] [Forward] [Print] [Refresh] [Help] [Close]

Summary | Detail (P) | Misc Information (X) | **Key Relations** | PCM Options | Product (B) | Group Product | Ind. Policy | Group Policy | >>

Commission Tracking Options

First Year Tolerance +/-
Renewal Tolerance +/-
Commission Projection Yrs
Commission Tracking Yrs

License/Contract/Appointment Check Setup

First Year	Renewal Year
<input type="checkbox"/> FY Advisor State License Check	<input type="checkbox"/> Renewal Advisor State License Check
<input type="checkbox"/> FY Advisor Appointment Check	<input type="checkbox"/> Renewal Advisor Appointment Check
<input type="checkbox"/> FY Advisor Contract Check	<input type="checkbox"/> Renewal Advisor Contract Check
<input type="checkbox"/> FY Supervisor State License Check	<input type="checkbox"/> Renewal Supervisor State License Check
<input type="checkbox"/> FY Supervisor Appointment Check	<input type="checkbox"/> Renewal Supervisor Appointment Check
<input type="checkbox"/> FY Supervisor Contract Check	<input type="checkbox"/> Renewal Supervisor Contract Check

To access the Carrier Commission Setup options:

1. Select **Carrier Search** from the expanded **Policy/PCM Setup** menu.
2. Search for the appropriate carrier and then click the **CTM Options** tab.

Similar setup options as defined at office level are defined at the carrier level. First Year and Renewal Tolerance as well as Commission Projection and Tracking Years can be identified at each carrier. The option to check for a valid state license, appointment, or contract during the carrier posting process also displays.

Setup Process when using Contracts for Payment

Follow the instructions in this section if your installation requires contract and rate file creation for projecting commissions. If the advanced commission split logic is being used, proceed to the section entitled *Advanced Commission Split Setup*.

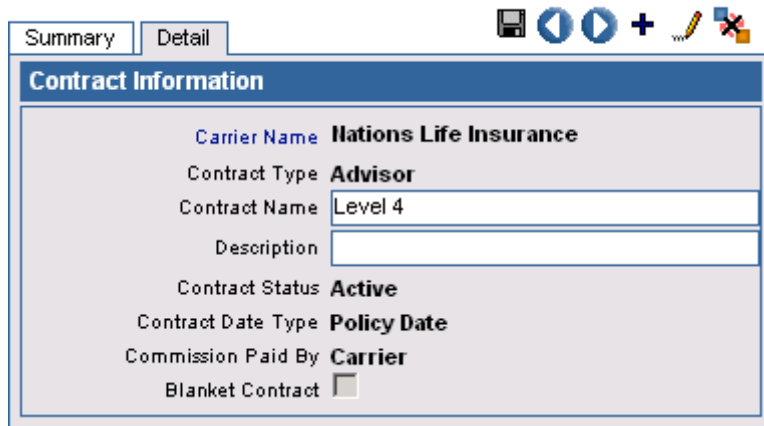
Contract Setup

Within Commission Tracking, the definition of a contract is an agreement between two parties that outlines the payment rates to be used when a specific type of insurance product is sold. In CTM, these contracts are entered as per Carrier.

A contract is identified for every level of payment within the hierarchy. The contract may be between the office and carrier; these contracts are House contract levels in SmartOffice. A contract may be between the office and supervisors or managers. This level is called the Supervisor contract level. Finally, there is an agreement between the carrier or office with the writing Advisors. This level is identified as the Advisor contract level.

The first step in the process of contract identification is to establish the names of the contracts. Once the contract names have been established, rates will be associated with the contract and finally the advisors, whether Advisor, Supervisor, or House level, will be defined.

Nations Life Insurance- Nations Life Insurance



The screenshot shows a software window titled "Nations Life Insurance- Nations Life Insurance". At the top, there are two tabs: "Summary" (selected) and "Detail". To the right of the tabs are several icons: a printer, a left arrow, a right arrow, a plus sign, a pencil, and a red X. Below the tabs is a blue header bar labeled "Contract Information". The main area contains the following fields:

Carrier Name	Nations Life Insurance
Contract Type	Advisor
Contract Name	Level 4
Description	
Contract Status	Active
Contract Date Type	Policy Date
Commission Paid By	Carrier
Blanket Contract	<input type="checkbox"/>

1. Select **Contract Search** from the **PCM/Policy Setup** expanded menu.
2. Select the Carrier whose contracts you will be identifying and then click the **Search** button.
3. Click the **Add** button.

Contract Types Identified

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

Contract Status

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

Contract Date Type

- Active Status Date – The date the case was placed in force is used when determining which contract should be used for rate identification.
- Date Entered – The date the case was first entered into the system is used for identifying the contract to be used for rate identification.
- Policy Date – The date the case is effective is used when determining the contract to be used for rate identification.

Commission Paid By

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

Blanket vs. Carrier Specific Contract

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

To establish a Blanket contract immediately, check the blanket contract option when adding a new contract. This allows the carrier name to be left blank. The association of a contract with an Advisor or Supervisor occurs at the Contract tab on the specific party's record.

A second area that carrier contracts are identified is in the Carrier Contract tab.

Establish Rates

In the Commission Rate section, percentages are associated for payouts to the associated contract, carrier, and product in question. There are other areas of SmartOffice that must be completed before commission rates can be entered, including insurance carriers, products, and commission contracts. See the *SmartPolicies* and *SmartCaseManager* user guides for further information.

Commission Bands					
Age From	Age Throug	Face From	Face Through	State	Effective Date

Add a Commission Rate

1. Select **Commission Rate Entry** from the **PCM/Policy** expanded menu to display the Commission Rate Entry dialog box.
2. Click the **Add** button to display the New – Commission Rate Detail tab.
3. In the General Information section, specify the appropriate Contract Name, Carrier Name, and Product Name. Note that the Contract Type will automatically populate once the contract name has been selected.

Cumulative vs. Standard Rates

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

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

	<u>Standard Rate</u>	<u>Cumulative Rate</u>
House	100 %	100%
Manager 2	5 %	90%
Manager 1	5 %	85%
Advisor	80 %	80%

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

It is critical that all parameters are properly established for commission rates. The Commission Rate Setup controls the remainder of the commission process.

Paid Mode and Additional Information

- The **Pay Mode** section identifies when the party actually receives payment.
 - **Annualized** - One payment based on an Annualized premium paid when the first payment is received. It is assumed that the insured will pay all premiums in the first year and if not, a chargeback will occur
 - **Annualized first year only** – The same as annualized but for first year payments only
 - **As paid** - This rate is used to calculate the commission paid only when the insured is actually paid the premium
 - **As paid with months advance** - Allows a specific number of months of advance to the party being paid
- **Banding Type** - Allows rates to be different based on Premium or Excess banding.
- **Flat Amount** - Allows a flat dollar amount to be paid to the party associated with this contract. This is a one-time payment that is not based on the mode of the policy.

Commission Banding

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

The screenshot shows a software interface with two main panels. The left panel, titled "Commission Banding Information", contains several sections: "General Information" with fields for Contract Name (A100), Carrier Name (ABC Life), Product Name (10 Year Term), Contract Type (House), and Cumulative (checkbox); "Date Banding" with Effective Dt (02/19/2004) and Expiration Dt; "Age Banding" with Age From (0) and Age Through; "Face Banding" with Face From (0.0000) and Face Through; and "State Banding" with State (All States). The right panel, titled "Commission Rate Details", features a table with columns: From Year, Throug Year, Base Percentage, Flat Extra Percentage, Fee Percentage, and Lu Per. A single row is visible with values: 1, 1, 100.0000, 60.0000, 3.0000. The interface includes standard window controls and "OK" and "Cancel" buttons at the bottom.

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

Rates are banded based on the following criteria:

- Date Banding
- Age Banding
- Face Banding
- State Banding

To add the actual rates, click the **Add** button in the Commission Rate Details section to display the Basic Schedule Information dialog box.

Basic Schedule Information		
General Information		
Contract Name	A90	
Carrier Name	ABC Life	
Product Name	ARTerm	
Contract Type	Supervisor	
Cumulative	<input type="checkbox"/>	
Dates		
From Year	1	
Through Year	1	
Commission Rate Details		
Base Points	75.0000	Premium
Flat Extra Points	3.0000	Premium
Fee Points	3.0000	Premium
Lump Sum Points	3.0000	Premium
Override Points		
ERA Points		
Bonus Points		
Level 1 Points	5.0000	Premium
Level 2 Points		
Level 3 Points		
Level 4 Points		
Level 5 Points		
Excess Points		
Trail Points	75.0000	Premium
Commission Amount(\$)		

- **From Year – Through Year** identifies the years that the rates defined below will be paid. If it is a first year rate, the values read From Year = 1, Through Year = 1.
- **Base Points** calculate for the modal commissionable premium amount on the policy.
- **Flat Extra Points** pay the rate entered based on the flat extra amount on the case only.
- **Fee Points** pay on the commissionable policy fee identified on the case.
- **Lump Sum Points** pay based on the Lump Sum premium value found on the policy.

- **Override points, ERA Points, Bonus Points, Level 1 – Level 5 Points** all pay an additional amount based on the base premium paid.
- **Excess Points** pay based on any premium paid over the target value.
- **Trail Points** pay based on trail commissions entered by the user during speed receipt entry. This type of commission payment is not projected but made available at the time that trail commission is received to pass the payment to other levels of the hierarchy.
- **Commission Amount(\$)** is a flat dollar value that is paid for each mode of payment allowed by the policy.

Special Banding – Premium Banding

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

Additional Information

Banding Type: Premium Banding

Flat Amount:

Retroactive:

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

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

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

Basic Schedule Information

General Information

Contract Name: CTM TC 37-A
 Carrier Name: CTM -- Carrier
 Product Name: CTM Prod
 Contract Type: Advisor
 Cumulative:

Dates

From Year: 1
 Through Year: 1

Member Banded Schedule

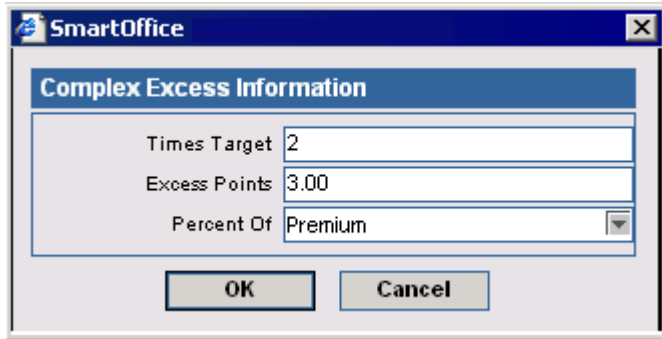
<input type="checkbox"/>	Up To Members	Dollar amount per person
<input type="checkbox"/>	2	20.0000
<input type="checkbox"/>	10	30.0000

Records Shown: 2 Total Records: 2

OK Cancel

Special Banding – Complex Excess Banding

The complex excess component will only be displayed if Excess Banding has been selected on the original Rate Entry dialog box. The Complex Excess Information dialog box allows excess commission rates to be determined based on the target amount.



SmartOffice

Complex Excess Information

Times Target 2

Excess Points 3.00

Percent Of Premium

OK Cancel

Copy Rates

The rate file enables the ability to copy one set of rates to another.

1. Select **Commission Rate Entry** from the **PCM/Policy Setup** expanded menu to open the Commission Rate Entry dialog box.
2. Click the **Search** button to display the Commission Rates Summary.
3. Click the **Copy Commission Rates** button and then select the **Source Product** hyperlink.
4. Search for the Product that has rates attached to it that you would like to copy by entering the Product or Carrier Name and then click the **Search** button.
5. Select the product to be used as the source by clicking the appropriate first column hyperlink.
6. In the Target Product Summary section, click the **Add** button.
7. Search for the Products that you would like to copy to by entering the Product or Carrier Name and then click the **Search** button.
8. Tag the products to be used as the target for these rates and then click the **OK** button.
9. Click the **Next** button to display the Rate Selection Information dialog box.
10. Select the appropriate contract to copy and then click the **Finish** button.

House, Advisor, and Supervisor Setup

Identify the House Account

The House account is the top level of a commission hierarchy. It receives a commission statement from the carrier and is required to pay this commission to other entities. This level is often called a MGA, BGA, or Agency. There can be more than one House Account identified within each commission system.

The House account must exist as an Advisor within the SmartOffice system. Utilize the Type field of the advisor record to identify the type of House account. On the Additional tab, within the Miscellaneous Information section, the House Account option should be selected to identify this advisor record as the recipient of the gross commission amount from the carrier.

The screenshot shows a software interface with several tabs: Summary, Agency (P), Additional, Key Relations, and License/E & O (X). The 'Additional' tab is active, displaying a 'Miscellaneous Information' section with the following fields: MDRT Goal, Min. Check Amt.(\$), House Account (checked), and Alphakey. Below this is a 'Remarks' section with a text area and an 'ABC' icon. At the bottom is a 'User Assignment' table with the following data:

<input type="checkbox"/>	User Name	User Type
<input type="checkbox"/>	Chris Bartlett	Producer/Manager

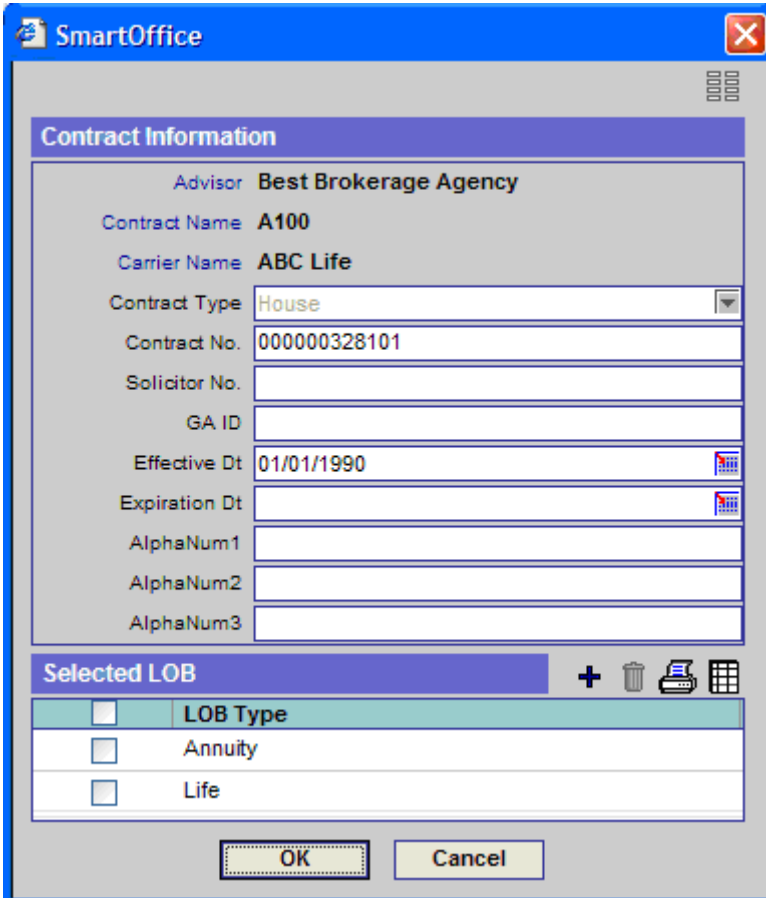
To access the House account information:

1. Select **Advisor Search** from the expanded **Advisor** menu to open the Search Advisors dialog box.
2. Click the **Search** button to display the Advisor Summary.
3. Select the appropriate record and then click the **Personal** tab.
4. Verify the Type.
5. Click the **Additional** tab.
6. Verify that the **House Account** option is selected.

Set up the House Account – Contracts

The House account rates identify the **gross** amount paid by the carrier on a given product. If the carrier is paying the writing advisor commission, then this level should be accounted for within the rate found in the House account. For example, if the advisor is receiving 75% of premium directly from the carrier and the House is receiving the remaining 25% then 100% should be entered in the rates identified for the house account.

Commission payout is controlled completely by the Contract tab for all levels. The House is entered as an Advisor or Agency; therefore, the contract is available to identify commission schedules. The first step in the setup process for the House account is to add contract records for each carrier the house has contracted. The contract name will be a reference to the contract at the Carrier. The carrier schedule name or an internal identifier may be used for the definition of this House level.



The image shows a screenshot of the SmartOffice software interface. The window title is "SmartOffice". The main content area is titled "Contract Information" and contains the following fields:

- Advisor: Best Brokerage Agency
- Contract Name: A100
- Carrier Name: ABC Life
- Contract Type: House (dropdown menu)
- Contract No.: 000000328101
- Solicitor No.: (empty text box)
- GA ID: (empty text box)
- Effective Dt: 01/01/1990 (calendar icon)
- Expiration Dt: (empty text box with calendar icon)
- AlphaNum1: (empty text box)
- AlphaNum2: (empty text box)
- AlphaNum3: (empty text box)

Below the "Contract Information" section is a "Selected LOB" section with a table:

<input type="checkbox"/>	LOB Type
<input type="checkbox"/>	Annuity
<input type="checkbox"/>	Life

At the bottom of the dialog are "OK" and "Cancel" buttons.

The important components to include when establishing this record include: Contract Name, Carrier Name, Contract Type (House for this level), Contract No (GA ID or any other unique identifier), Effective Date, Expiration Date, and Line of Business. Multiple contracts can exist for each carrier as long as the Lines of Business are unique.

Set up the Supervisor – Advisor

SmartOffice uses the term Supervisor to identify any individual or business that may receive a commission over and above the writing advisor's compensation. The supervisor is not required by SmartOffice to be licensed or appointed with the carrier; however, a contract must be defined to identify the amount of compensation to be paid at this level. The Supervisor level can also be used to pay the writing Advisor additional commission from the House, can be used to pay management or override payments to any party, or can be used for any other need required to break up commissions paid to the Advisor or House on a given policy.

The Supervisor is entered into the system just like an Advisor. There can be an unlimited number of supervisors and supervisors can be linked to each other to create a complex hierarchy chain.

What is unique about the Supervisor is that the top level Supervisor will point to the appropriate House account that is the top level of the hierarchy chain. This linking is done in two locations within the advisor record. The first link is made by placing the House account name in the Supervisor field. This field is used in the Contract section of SmartOffice as the default supervisor selection when a new contract is added to the system.

Advisor - Mr. Daniel A. Odell, CLU (Dan)

Summary	Personal	Additional	Key Relations	License/E & O (X)	Cgnt./Appt.	Production (Z)	Commission	>>
Personal Information								
Last Name	Odell	Suffix	CLU					
First Name	Daniel	Middle Name	A.					
Greeting	Dan	Title	Mr.					
Type	General Agent	Sub-Type	A					
Source	Mailing	Sub-Source						
Referred By								
Birth Date	04/30/1955	Age	50					
SS #	125-63-5424	Gender	Male					
Detail Information								
Agency	Westlake Insurance Services							
Job Title	Owner	Hire Date						
Status	Active	Code						
Supervisor	Best Brokerage Agency							
Marketing Mgr								
Region Code	Western Region	Office Code						
AlphaKey								
AlphaNum1								
AlphaNum2								
Communication Privacy				Preferred Communication				
Postal Mail	<input type="checkbox"/>	Postal Mail	<input checked="" type="radio"/>					
Phone	<input type="checkbox"/>	Fax	<input type="radio"/>					
E-mail	<input type="checkbox"/>	E-mail	<input type="radio"/>					
Phone Numbers								
<input type="checkbox"/>	Type	Full Phone	Remarks					
<input type="checkbox"/>	Business	(800) 335-1452#101						
Addresses								
<input type="checkbox"/>	Type	Complete Address	Map					
<input type="checkbox"/>	Business	773 W. Colorado Los Angeles, CA 90008						
E-mail/Web Addresses								
<input type="checkbox"/>	Type	Address						
<input type="checkbox"/>	E-Mail	Dan.Odell@westlake.com						

The second location where the higher-level supervisor is identified is on the Contract tab of the Advisor record.

Set up the Supervisor Level – Contracts & Hierarchies

SmartOffice uses the term Supervisor to identify any individual or business that may receive a commission over and above the writing advisor's compensation. This includes advisors receiving additional compensation paid by the house and managers that are receiving an override on business produced by other advisors.

When a new contract is added to the Contract tab of the Advisor record, critical commission items must be identified including:

- Contract Name: Click the hyperlink to list all available contracts.
- Carrier Name: Click the hyperlink to display all available carriers.
- Contract Type: Identifies this contract as an Advisor, Supervisor, or House contract.
- Contract No: The Contract # for the Advisor at the Carrier.
- Effective and Expiration Dates: Identifies the period these rates are in effect.
- Supervisor and Supervisor Contract: Identify the person above this party in the hierarchy chain and the contract that will be paid.
- LOB: The product lines that this contract is valid for. There may be multiple contracts for carriers that differ by Lines of Business.

Contract Information

Advisor/Agency Daniel Odell
Assign Comm To Daniel Odell
Contract Name A80
Carrier Name ABC Life
Contract Type Supervisor
Contract No. Supervisor
Solicitor No.
GA ID
Effective Dt 01/01/1990
Expiration Dt 01/01/2020
AlphaNum1
AlphaNum2
AlphaNum3

Supervisor Information

Supervisor Name Best Brokerage Agency
Supervisor Contract A100

Selected LOB

<input type="checkbox"/>	LOB Type
<input type="checkbox"/>	Annuity
<input type="checkbox"/>	Life

OK Cancel

Set up the Advisor Level – Advisor

SmartOffice uses the term Advisor to identify any writing Advisor on a case. Some users may use the term Agent or Broker to identify this level. The Advisor will be entered into the system and contracts will be linked to the Advisor identifying the payment schedules for each Carrier. Hierarchies will also be identified on the contract levels.

Advisor - Mr. Philip Anderson, CLU

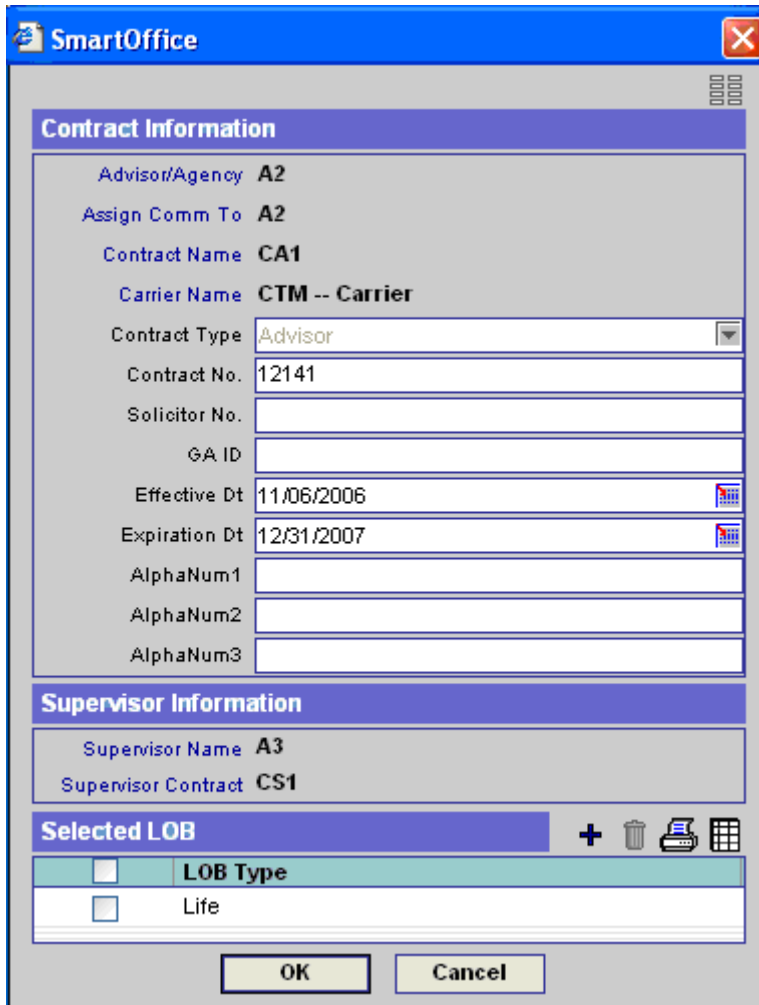
Summary	Personal	Additional	Key Relations	License/E & O (X)	Cont./Appt.	Commission	Smart Checks (J)	Ind. Policy	>>																												
Personal Information <table style="width: 100%;"> <tr> <td>Last Name: Anderson</td> <td>Suffix: CLU</td> </tr> <tr> <td>First Name: Philip</td> <td>Middle Name:</td> </tr> <tr> <td>Greeting: Philip</td> <td>Title: Mr.</td> </tr> <tr> <td>Type: Advisor</td> <td>Sub-Type: A</td> </tr> <tr> <td>Source:</td> <td>Sub-Source:</td> </tr> <tr> <td colspan="2">Referred By:</td> </tr> <tr> <td>Birth Date: 06/15/1966</td> <td>Age: 39</td> </tr> <tr> <td>SS #: 118-89-8774</td> <td>Gender: Male</td> </tr> </table>					Last Name: Anderson	Suffix: CLU	First Name: Philip	Middle Name:	Greeting: Philip	Title: Mr.	Type: Advisor	Sub-Type: A	Source:	Sub-Source:	Referred By:		Birth Date: 06/15/1966	Age: 39	SS #: 118-89-8774	Gender: Male	Phone Numbers <table style="width: 100%;"> <thead> <tr> <th>Type</th> <th>Full Phone</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Business</td> <td>(909) 874-7222#73</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Business Fax</td> <td>(818) 632-5541</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Pager (beeper)</td> <td>(626) 556-3456</td> <td></td> </tr> </tbody> </table>					Type	Full Phone	Remarks	<input type="checkbox"/> Business	(909) 874-7222#73		<input type="checkbox"/> Business Fax	(818) 632-5541		<input type="checkbox"/> Pager (beeper)	(626) 556-3456	
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Detail Information <table style="width: 100%;"> <tr> <td>Agency: Westlake Insurance Group - Corona</td> <td></td> </tr> <tr> <td>Job Title: Insurance Agent</td> <td>Hire Date:</td> </tr> <tr> <td>Status: Active</td> <td>Code: 1133-3</td> </tr> <tr> <td>Supervisor: Christiansen, Carolina</td> <td></td> </tr> <tr> <td>Marketing Mgr: Mark Paladian</td> <td></td> </tr> <tr> <td>Region Code: Western Region</td> <td>Office Code: 849-33</td> </tr> <tr> <td>AlphaKey:</td> <td></td> </tr> <tr> <td>AlphaNum1:</td> <td></td> </tr> <tr> <td>AlphaNum2:</td> <td></td> </tr> </table>					Agency: Westlake Insurance Group - Corona		Job Title: Insurance Agent	Hire Date:	Status: Active	Code: 1133-3	Supervisor: Christiansen, Carolina		Marketing Mgr: Mark Paladian		Region Code: Western Region	Office Code: 849-33	AlphaKey:		AlphaNum1:		AlphaNum2:		Addresses <table style="width: 100%;"> <thead> <tr> <th>Type</th> <th>Complete Address</th> <th>Map</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Business</td> <td>1 Main Street Los Angeles, CA 90008</td> <td></td> </tr> </tbody> </table>					Type	Complete Address	Map	<input type="checkbox"/> Business	1 Main Street Los Angeles, CA 90008					
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The Advisor's first line manager will be identified in the Supervisor field in the Detail Information section. This information is not required, but if completed it will automatically default into the contract records where supervisor information is used during commission payment.

Set up the Advisor Level – Contracts and Hierarchies

When a new contract is added to the Contract tab of the Advisor record, critical commission items must be identified, such as:

- **Contract Name:** If a carrier is selected first then a list of contracts specific to the carrier will be displayed. Click the Contract Name hyperlink to display a listing of all available contracts.
- **Carrier Name:** If the contract is selected first, the carrier will automatically populate.
- **Contract Type:** Identifies this contract as an Advisor, Supervisor, or House contract.
- **Contract No:** The carrier-assigned Writing Advisor number.
- **Effective and Expiration Dates:** Identifies the period these rates are in effect.
- **Supervisor and Supervisor Contract:** Identifies the person above this party in the hierarchy chain and the rates that will be paid.
- **LOB:** The line of business identifies the product lines that this contract is used for. There may be multiple contracts for given carriers that differ by line of business.



The image shows a screenshot of the SmartOffice application window. The window title is "SmartOffice". The main content area is divided into three sections: "Contract Information", "Supervisor Information", and "Selected LOB".

Contract Information

Advisor/Agency	A2
Assign Comm To	A2
Contract Name	CA1
Carrier Name	CTM -- Carrier
Contract Type	Advisor
Contract No.	12141
Solicitor No.	
GA ID	
Effective Dt	11/06/2006
Expiration Dt	12/31/2007
AlphaNum1	
AlphaNum2	
AlphaNum3	

Supervisor Information

Supervisor Name	A3
Supervisor Contract	CS1

Selected LOB

<input type="checkbox"/>	LOB Type
<input type="checkbox"/>	Life

At the bottom of the dialog box are "OK" and "Cancel" buttons.

Access the Hierarchy from the Advisor Detail Tab

Hierarchies are often defined with multiple levels. SmartOffice has been designed to display the full commission hierarchy. Access to this information is available on the Detail and Contract tabs of the Advisor record. Access can begin at any level within the hierarchy with views both up and down the hierarchy chain.

To access the hierarchy, from the Advisor Detail tab, click the **Contract Hierarchy** button.

The following spreadsheets display the contract hierarchy for the current producer's selected contract. Other parts of SmartOffice can be accessed while this window is open. Navigate to another producer record and then click the Refresh button to reflect the contract hierarchy for the selected contract.

Contract Name	Effective Dt	Expiration Dt	Contract No.
CA1	11/06/2006		12141

Records Shown: 1 Total Records: 1

First Name, Last Name	Sales Channels	Type	Contract Name	Contract No.
[-] A1		BGA	CH1	12
[-] A3		Advisor	CS1	12321
[-] A2		Advisor	CA1	12141

Records Shown: 1 Total Records: 1 Total children : 3

In the example above, the Producer's Contract Hierarchy is displayed.

To change the displayed Carrier:

1. From the Contract Hierarchy dialog box, select a Carrier in the Advisor Contract Information section.
2. Click the **Reload** button in the Contract Hierarchy section to refresh the hierarchy.

Access the Hierarchy from the Contract Tab

To access the hierarchy from the Advisor Contract tab, click the **View Contract Hierarchy** button in the Advisor Contract Information section.

First Name, Last Name	Type	Contract Name	Contract No.	Minimum Check Amt	Total Commission
[-] A1	BGA	CH1	12		0
[-] A3	Advisor	CS1	12321		0
[-] A2	Advisor	CA1	12141		0

Records Shown: 1 Total Records: 1 Total children : 3

Close

Projected and Expected Commissions

When a case is in a pending stage, commissions are considered Projected; once a policy goes Inforce, it changes to an Expected status. The purpose of these two distinct groups is for reporting. The options within SmartOffice used to execute Projected and Expected commissions are the same.

Projections from the PCM/Policy/Group Modules

Commission projects can be projected once contracts, rates, and hierarchies have been established. At the time a case is entered into the PCM, Policy, or the Group modules, an automatic projection will occur for the number of years identified during setup.

The Pending Case, Individual Policy, and Group Policy modules all contain the same commission features. Each user is assigned a role during user setup and this role determines what access is available.

The base features for commission projections:

- **Project Commissions for PCM (Individual Policy or Group Policy):** This feature is used as a manual projection when the system did not automatically project commissions. A date range is prompted. The beginning date should be the effective date of the policy if this case has already been issued, or the beginning date of the period requires projections. If this case was newly entered and is still in underwriting, today's date may be used for the commission projections.
- **List Commission Records:** This feature displays all of the commission projection and actual commission records. The difference between the projected data and the actual data is the status of the transaction. If the status of the transaction is open, the commission transaction is a projection. If the status of the transaction is paid, payment due, reconciled, or write off, the transaction is a historical transaction.
- **Error Log for the Commission Tracking Module:** This feature helps to identify any errors that may have occurred during the projection process of the commission transactions. An error message is made available pointing to the appropriate location of the error.

This information is intended to assist the user in determining how to effectively locate any errors with the commission setup and help to troubleshoot any setup issues with the commission system.

Verify Contract Attached to a Case for the Writing Advisor

When a Pending Case, Policy, or Group policy is entered into the system, an attempt is made to associate an Advisor contract with this case. This process occurs automatically during the add process of the case. If the commission module is turned on, and there is more than one matching contract, the user is prompted to select the valid contract to attach to the case.

To access the contract information for an advisor through SmartCaseManager:

1. Select **PCM Search** from the **Pending Case** expanded menu to open the Search Pending Cases dialog box.
2. Click **Search** to open the Pending Case Summary.
3. Select the appropriate record and then click the **Detail** tab.

4. In the Policy Advisor Summary section, click the first column hyperlink to display the Policy Advisor Information dialog box.

SmartOffice

Contract Information

Advisor/Agency **Philip Anderson**
Assign Comm To **Philip Anderson**
Contract Name **A70**
Carrier Name **ABC Life**
Contract Type **Advisor**
Contract No. **000000788901**
Solicitor No.
GA ID
Effective Dt **08/01/1990**
Expiration Dt
AlphaNum1
AlphaNum2
AlphaNum3

Supervisor Information

Supervisor Name **Daniel Odell**
Supervisor Contract **A80**

Selected LOB

<input type="checkbox"/>	LOB Type
<input type="checkbox"/>	Life
<input type="checkbox"/>	Annuity
<input type="checkbox"/>	Auto

OK Cancel

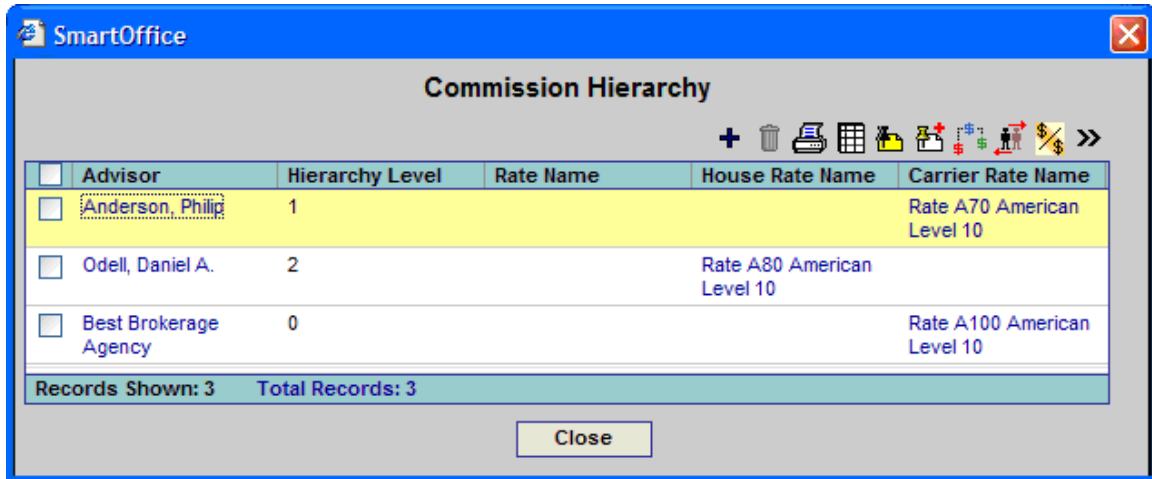
5. If a contract was not automatically assigned to the case, click the **Contract Information** hyperlink to search for and select a contract. Note that a common error is when the As Of Date and Expiration dates of the contract do not match the policy effective date.
6. Enter the Split Percent and then click the **OK** button.

Verify the Hierarchy for the Writing Advisor

The hierarchy for an Advisor is controlled by the contract that was selected. Once the appropriate contract has been selected, display the hierarchy by doing the following:

1. Select **PCM Search** from the **Pending Case** expanded menu to display the Search Pending Cases dialog box.
2. Click **Search** to open the Pending Case Summary.
3. Select the appropriate record and then click the **Detail** tab.

- In the Policy Advisor Summary section, select a record and then click the **Show Hierarchy** button to open the Commission Hierarchy dialog box.



The Commission Hierarchy displays all parties in the hierarchy chain. Identified by a Hierarchy Level of 0, a House Account must be identified. The Advisor is always listed at Hierarchy Level 1. All Supervisors associated with this Advisor also display on this list. The Supervisors are on Level 2 and up.

Common Errors:

- **A supervisor is missing:** If there are missing supervisors, the user must return to contract maintenance and verify that the writing Advisor is pointing to the appropriate supervisor/contract combination. The user must then verify that the supervisor's contract is associated with the appropriate supervisor/contract combination and so on.
- **Rates are not defined:** Note in the image above a carrier rate is identified for Philip Anderson and the Best Brokerage Agency and a house rate is identified for the supervisor Daniel Odell. This shows that the validated commission rates have been identified. If these are blank for any reason, the system did not link valid rates to the appropriate contract. To correct this problem, the user must complete two steps. The first is to return to the Commission Rate setup and establish rates for the missing contract. Verify that if rates already exist, the proper effective date/expiration date range and proper banding ranges have been established. Once the rates have been identified, return to this panel and then click the **Rebuild Hierarchy** button. The hierarchy will be rebuilt using current data and the full projections can be established.
- **A hierarchy is not found:** This error displays if the Advisor is not established with an appropriate contract. See the *Verify Contract* section to determine the steps to correct this problem.

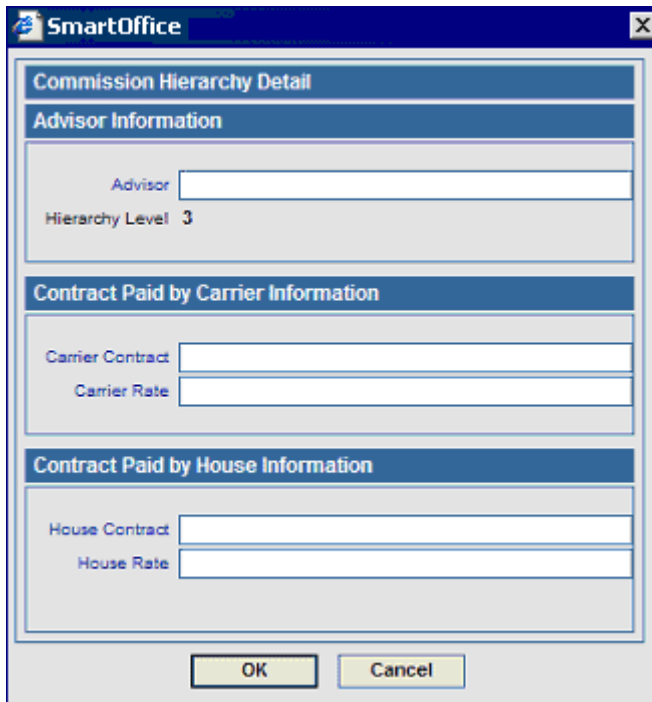
Other Functions Available from within the View Hierarchy Option

The user has several options available from within the View Hierarchy option.

Add a party to the hierarchy

The restrictions are simply that the new advisor added to the case must have a contract defined on his/her advisor record for the carrier selected and the rates must be defined. To add a person to the hierarchy from within the Show Hierarchy option, complete the following:

1. Click the **Add** button to display the Commission Hierarchy Detail dialog box.



2. Click the **Advisor** hyperlink to search for and select the new advisor.
3. Click the appropriate Contract hyperlink to select a Carrier or House contract.
4. Click the appropriate Rate hyperlink to select a Carrier rate or a House rate.
5. Click the **OK** button.

Delete a party from the hierarchy

Select the Supervisor record that you would like to delete and then click the **Delete** button. Note that only Supervisors can be deleted from the hierarchy.

Rebuild the hierarchy

The most popular instances to rebuild a hierarchy:

- An Advisor contract did not point to the appropriate Supervisor.
- Rates were not established for the carrier + product + contracts for all parties on the case.

Once the actual error has been corrected, click the **Rebuild Hierarchy** button to validate the information.

SmartPad notes can be associated with a party in the hierarchy

If the user needs to log a note regarding the hierarchy, it can be performed from the Show Hierarchy section. The notes will be logged to the advisor for the corresponding case.

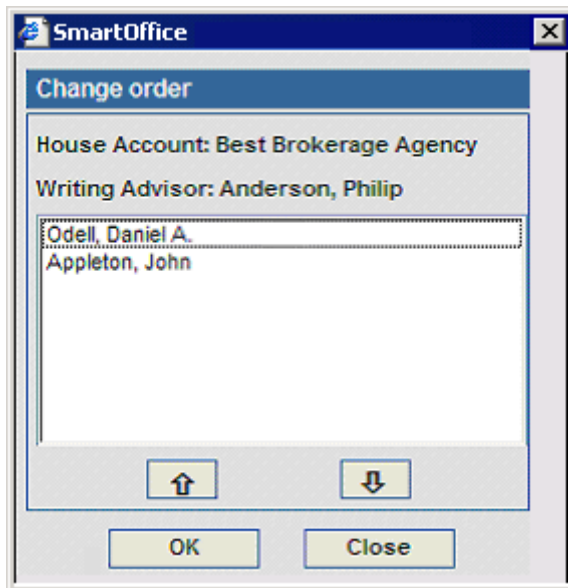
Change Commission Hierarchy Order

Sometimes the order of a hierarchy is important for successful commission projections. This is especially important if you are using Rate Percentages that are based on other parties in the hierarchy. A cumulative rate is just one example where the amount of commission a person in the hierarchy is paid is directly related to other parties and their locations in the hierarchy.

- The Advisor is always the first person in the hierarchy. This is not something that can be modified.
- The House account is always the top level of the hierarchy and this is something that cannot be modified.
- Any Supervisor identified on Level 2 and up can have their position changed within the hierarchy.

To change the hierarchy order:

1. Click the **Change the Commission Hierarchy** button.
2. Select a record, click the appropriate Up or Down arrow button to change the order, and then click the **OK** button.



Change a Commission Rate for a Single Case

1. Select the record for modification.
2. Click the **Show Rate** button.
3. Enter the rate to open the Save Commission Rate dialog box.
4. Select the appropriate option and then click the **OK** button.



- **All Policies:** Changes all policies associated with this rate. Once the rate is changed, a revalidation must take place for all of the existing policies. The revalidation process is found under CTM Setup.
- **This policy only:** Creates a unique rate and associates it to this policy only. No other rates will be affected.
- **This policy and others selected from a policy list:** The user has control over which policies get the new rate.
- **None of the existing policies. Create a new rate with the current modification:** This option will not change any current cases but instead adds a second rate for cases in the future.
- **Log cases for recalculation of commission with this new changed rate:** This feature allows cases to be logged for validation at another time. There may be a large number of cases affected by this change and the user may not want their workstation locked while this process is running. The cases can be sent to a log and revalidated at a more convenient time.

Verify Projections for a Case from the PCM

Projections are commission transactions associated with policies used for forecasting. They are generated while the case is still in a pending status and the projections move to actual transactions once the policy is moved to an active status such as Paid or Inforce.

To verify projections for a case from the PCM:

1. Select **PCM Search** from the **Pending Case** expanded menu to open the Search Pending Cases dialog box.
2. Click the **Search** button to display the Pending Case Summary.
3. Select the appropriate record and then click the **Detail** tab.

- Select **List Commission Records** from the **More Features** expanded list to display the Projected Commission Summary.

Due Date	Component Premium	Percentage (%)	Percent Of	Expected Amount	Direct Paid	Net Expected Amount	Paid By	Status	Type	Original Net Expected Amount
02/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
03/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
04/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
05/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
06/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
07/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
08/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
09/28/2006	450.0000	100.0	Premium	450.0000	315.0000	135.0000	Carrier	Open	Base	135.0000
Records Shown: 33		Total Records: 33								

- To view the details of a transaction, click the corresponding first column hyperlink.

Policy Related Information	Premium Paid
Contact: Joseph Ackerman	Premium Paid: 450.0000
Policy: []	Component Premium: 450.0000
Carrier: ABC Life	Excess Premium: []
Product: American Level 10	YTD Premium Paid: 450.0000
Policy Date: []	Rider Commission: <input type="checkbox"/> First Year Commission: <input checked="" type="checkbox"/>
Commission Payment Information	Commission Related Information
Percentage(%): 100.0	Commission Due: 02/28/2006
Percent Of: Premium	Type: Base
Expected Amount: 450.0000	Status: Open
Paid Directly: 315.0000	Paid-to/Next Due Date: 03/28/2006
Paid Commission: []	Commission Paid By: Carrier
Difference: 135.0000	
<input type="button" value="OK"/> <input type="button" value="Cancel"/>	

Policy Related Information

- Contact: The insured on the policy
- Policy: The Policy number assigned to this policy
- Carrier: Identifies the Insurance Carrier providing coverage
- Product: The product name of this policy
- Policy Date: The effective date of this policy if an Issued or Inforce status

Premium Paid

- Premium Paid: Represents the amount of premium the insured has paid on this commission statement. For projections, it reflects the full modal premium
- Component Premium: Displays the commissionable modal premium used for the commission calculations
- Excess Premium: Displays any excess premium applied for this policy
- YTD Premium Paid: A running total of the premium paid for this policy year
- Rider Commission: Is checked if this transaction is regarding the rider on the policy

- First Year Commission: Is selected if in the first year and is unchecked if in the renewal years

Commission Payment Information

- Percent: The % of the House gross contract
- Percent Of: Identifies what the % represents, premium is the most popular but it could be a % of commission paid on a policy
- Expected Amount: The total expected premium to be paid to the house based on the gross contract % identified
- Paid Direct: The total of any advisors that have been paid directly by the carrier
- Difference: Reflects the Net amount the house expects to receive on the given commission statement

Commission Related Information

- Commission Due: The date this transaction is due
- Type: The premium type (base, rider, excess, trail)
- Status: The current status of this transaction (Open = not received yet, Reconciled = received and what was expected matched what was received, Write-off = the amount received that did not match what was expected, Charge-back = the amount is a charge back of a previous payment, Processed = this transaction has been processed through the commission system but not yet paid, Suspense = the transaction was received on a commission check but the outcome has not yet been determined in that it is not reconciled or written off
- Paid-to/Next Due Date: The paid-to date of this policy
- Commission Paid By: Carrier - the insurance carrier is paying the party, House - the house account/the user of SmartOffice is paying this commission

From the Projected Commission Summary, advisor payouts can be displayed by clicking on a transaction line and then selecting the **Show Advisor Commission Summary** button.

<input type="checkbox"/>	First Name, Last Name	Component Premium	Percentage(%)	Percent Of	Receivable	Paid By	Split Percentage
<input type="checkbox"/>	Best Brokerage Agency	450.00			90.00	Carrier	100.0
<input type="checkbox"/>	Philip Anderson, CLU	450.00	70.0	Premium	315.00	Carrier	100.0
<input type="checkbox"/>	Daniel A. Odell, CLU	450.00	10.0	Premium	45.00	House	100.0

Records Shown: 3 Total Records: 3

This image shows all parties that will receive a commission on a case. The House Account, always identified at a hierarchy Level 0, will have a transaction representing the net commission after all parties have been paid by the House.

Click on a first column hyperlink to display the corresponding General Information.

The image shows a 'SmartOffice' dialog box with two main sections: 'General Information' and 'Payment Information'. The 'General Information' section includes fields for Advisor Name (Philip Anderson), Record Type (Base), Role (Primary Advisor), Hierarchy Level (1), Payable Due Date (02/28/2006), and Next Due Date (03/28/2006). The 'Payment Information' section includes Split Percentage (100.0), Percentage (%) (70.0), Net % of Premium, Percent Of Premium, Expected Payable Amount (315.0000), Direct Amount (315.0000), Paid Amount, Difference (0.0000), Status (Open), and Commission Paid By (Carrier). At the bottom are 'OK' and 'Cancel' buttons.

View and Correct Error Messages during Commission Projection

1. Select **PCM Search** from the **Pending Case** expanded menu to open the Search Pending Cases dialog box.
2. Click the **Search** button to display the Pending Case Summary.
3. Select the appropriate record and then click the **Detail** tab.
4. Select **Error Log for the Commission Tracking Module** from the **More Features** expanded list to display the Commission Error Log Summary dialog box. Note that the user must have the CTM Admin role to be allowed access to this feature.

The image shows a 'SmartOffice' dialog box titled 'Commission Error Log Summary'. It contains a table with columns: Error Message, Suggestion, Error Log ID, Holding ID, Module Name, Time Stamp, Severity, and Policy #. There are two rows of error messages, both with a severity of 'Critical' and policy number 'A56842'. The first row has Error Log ID 856 and Time Stamp 11/02/2004 04:10PM. The second row has Error Log ID 779 and Time Stamp 11/02/2004 03:49PM. At the bottom, it shows 'Records Shown: 5' and 'Total Records: 5'.

Error Message	Suggestion	Error Log ID	Holding ID	Module Name	Time Stamp	Severity	Policy #
<input type="checkbox"/> Invalid calculation date range	Commission records for selected date range is already present. Please choose valid 'FROM' and 'TO' date for manual commission projection.	856	1182	CarrierPosting	11/02/2004 04:10PM	Critical	A56842
<input type="checkbox"/> Invalid calculation date range	Commission records for selected date range is already present. Please choose valid 'FROM' and 'TO' date for manual commission projection.	779	1182	CarrierPosting	11/02/2004 03:49PM	Critical	A56842

Records Shown: 5 Total Records: 5

Common errors:

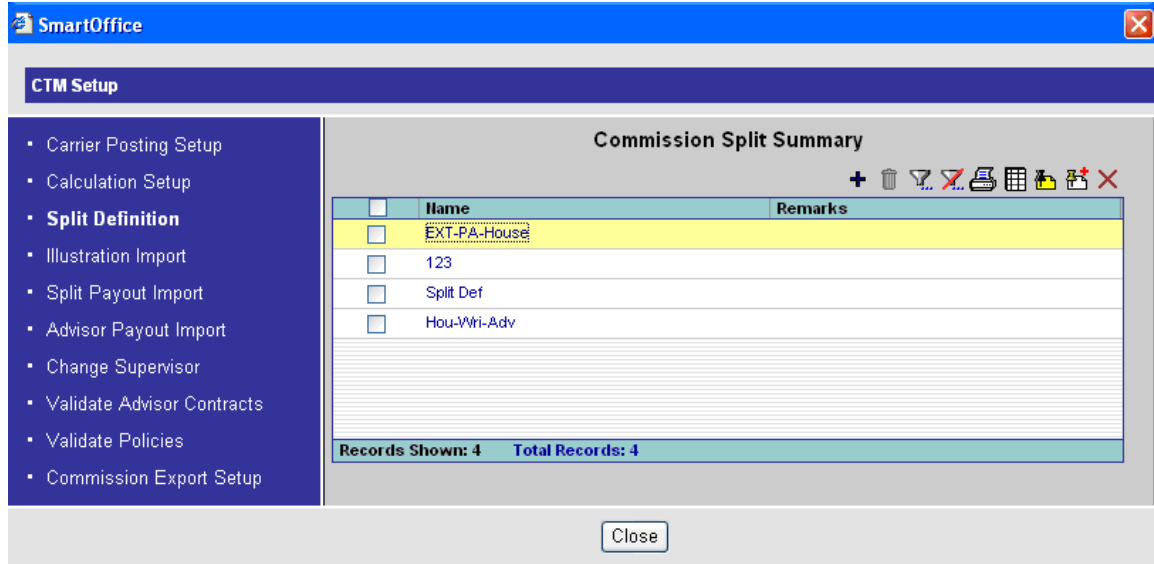
- **Commission record already exists for specified date range:** Someone attempted to re-project commission records for a given date range. The user must go into the list of commission records and delete any projections that exist for the period being projected. The user must then Project Commissions for the PCM to regenerate the commission records manually.
- **No commission rate attached to the case:** This error could be generated when a contract is not established properly or the rates for the contract have not been defined. It is critical to look at the effective/expiration date of a contract as well as the lines of business. For the rates, it is critical to view the effective/expiration date as well as all of the banding parameters that could make a rate unique. Once rates are established for this carrier + product + contract return to the case and run the Project Commissions for PCM option.
- **Policy Advisor Record not found:** This error indicates that the writing advisor was not properly assigned to this case.
- **Commission hierarchy not found:** This error indicates that someone in the hierarchy chain is not pointing to an appropriate supervisor/contract combination. Each person in the hierarchy must chain together until a House account is identified at the top of the hierarchy.
- **Modal Premium not specified for the case:** This error indicates that a commissionable modal premium is not being used for the productions. To fix this issue, click the **Modal Premium** hyperlink and verify that there is a premium number in the base commission.
- **Commission Rate Banding not found:** This error indicates that there is banding criteria such as date, age, face amount, or state that is not found for this specific case. Return to the Commission Rate Entry function (found under PCM/Policy setup) and correct the rate errors.
- **Rider Rate for House not defined:** This error is in relation to the rider portion of this case. Each rider has a unique product identified for it so specific rates can be identified. View the rider plan and then verify in the Commission Rate Entry that rates are identified for the House and Advisor contracts.

Advanced Commission Split Setup

The advanced commission Split functionality should be used when the commission payment structures are in a consistent format and the user does not mind establishing the rates to pay each party during the case setup process. The advanced commission split information is applied to illustration data that has been imported into the SmartOffice system. If there is not any illustration data available, the user must manually enter this data into the illustration import table in order for projections to be generated. Please consult an E-Z Data commission specialist if you have any questions regarding which commission setup structure to use: Contracts/Rates or Advanced Commission Split.

Split Definition

The split definition will define exactly what each party will be paid on a given policy. The split definition is defined through the setup file and when a new policy is being entered into the system, the user will select the advanced commission split function to relate one of the definitions to the policy record. Once the initial definition has been established to the policy, the user has the flexibility to modify the rates on a per policy basis.



Add a new Split Definition

1. Select **Setup** from the **CTM** expanded menu to display the setup options.
2. Select **Split Definition**.
3. Click the **Add** button to display the Split Definition Detail tab.
4. Enter the Split Name and a description if required.

- In the Commission Split Payout Summary, click the **Add** button.

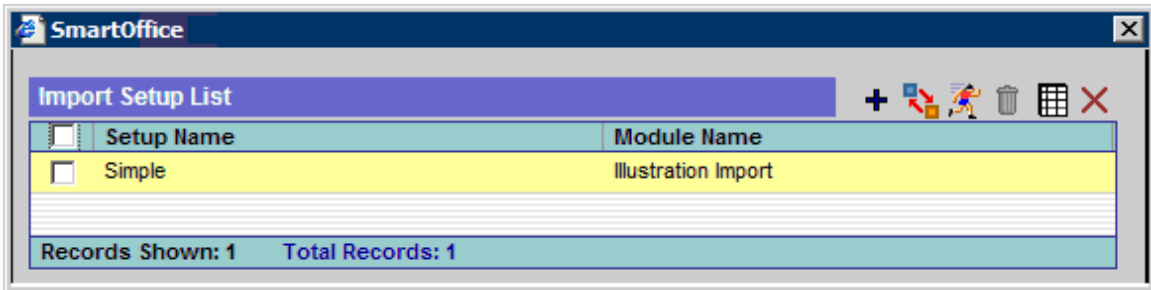
Basic Schedule Information		
Dates		
From Year	1	
Through Year	1	
Role	Primary Advisor	
Commission Paid By	House	
Commission Rate Details		
Base Points	50.00	Base Commission
Flat Extra Points		
Fee Points		
Lump Sum Points		
Override Points		
ERA Points		
Bonus Points		
Level 1 Points		
Level 2 Points		
Level 3 Points		
Level 4 Points		
Level 5 Points		
Excess Points		
Trail Points	50.00	Base Commission

- **From Year – Through Year** identifies the years that this rate will be paid. If it is a first year rate, the values read From Year = 1, Through Year = 1.
- **Role** identifies which party on this policy is being paid this rate.
- **Commission Paid By** identifies if the carrier or the house will be paying this commission rate.
- **Base Points** calculate for the modal commissionable premium amount on the policy.
- **Flat Extra Points** pay the rate entered based on the flat extra amount on the case only.
- **Fee Points** pay on the commissionable policy fee identified on the case.
- **Lump Sum Points** pay based on the Lump Sum/Dump in premium value found on the policy.
- **Override Points, ERA Points, Bonus Points, Level 1 – Level 5 Points** all pay an additional amount based on the base premium paid.
- **Excess Points** pay based on any premium paid over the target value.
- **Trail Points** pay the rate entered based on imported trail premium information.

- Click the **OK** button to save this rate and continue until all parties have been identified to be paid.

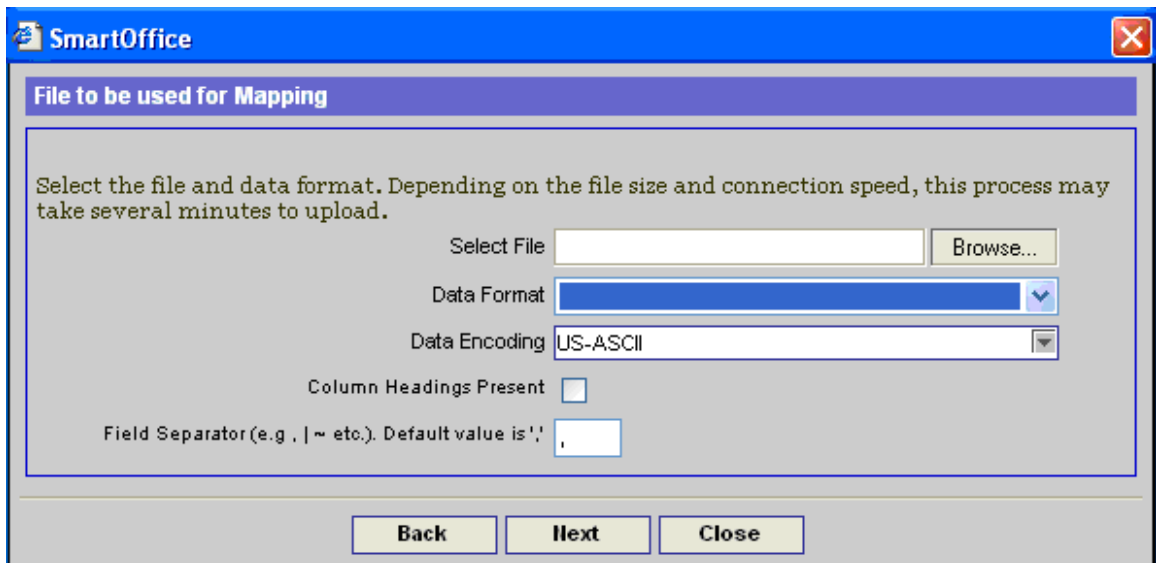
Illustration Import

The illustration import section is defined in the setup file. Using this utility, the commission data found in the saved illustration will be mapped to specific fields in SmartOffice so the data can be imported. An unlimited number of imports can be defined. The user will define the illustration templates and during the process of adding a policy, a function will be selected to import the illustration data. This illustration data plus the information defined in the Advanced Commission Split functionality will be used to project commissions. The only data that is used from the policy record found in SmartOffice is the Mode of payment.



Add a new Illustration Import

- Select **Setup** from the **CTM** expanded menu to display the setup options.
- Select **Illustration Import**.
- Click the **Add** button to display the Illustration Import Definition dialog box. In order to map an illustration file you must first identify a sample file to use.



- Identify the location of the file, enter the data format, select the option for column headings if the incoming file contains headings, and then click the **Next** button.

- Map the incoming data file to the fields identified in the SmartOffice database.

The dialog box titled "SmartOffice" contains a "Column Mapping Definition" window. It features a table with four columns: Column1, Column2, Column3, and Column4. Each column has a dropdown menu. The table contains the following data:

Column1	Column2	Column3	Column4
Year			
Year	Age	Base	Trail
1	Base Commission 1	5000	0
2	Base Commission 10	750	0
3	Base Commission 2	750	0
4	Base Commission 3	750	0
5	Base Commission 4	750	0
6	Base Commission 5	750	0
7	Base Commission 6	750	250
7	Base Commission 7	750	500
8	Base Commission 8	750	500
8	10000	750	750
9	10000	750	1000
10	10000	750	1250

At the bottom of the dialog box are three buttons: "Back", "Next", and "Close".

The fields available to map to in SmartOffice include:

- Age of the insured
 - Base Commission 1-10. All of these premium components will be merged together into a single base commission field.
 - Premium paid
 - Target Premium
 - Trail Commission
 - Year of the policy
- Identify the Phone and Date format and then click the **Next** button.

The dialog box titled "SmartOffice" contains a "Data Format Selection" window. It has three input fields:

- Phone Format: US/Canadian
- Date Format: mm/dd/yyyy
- Century: (empty text box)

Below the fields is a note: "(i.e., enter 19 if you want the year to read 1904; enter 20 if you want the year to read 2004)". At the bottom are three buttons: "Back", "Next", and "Close".

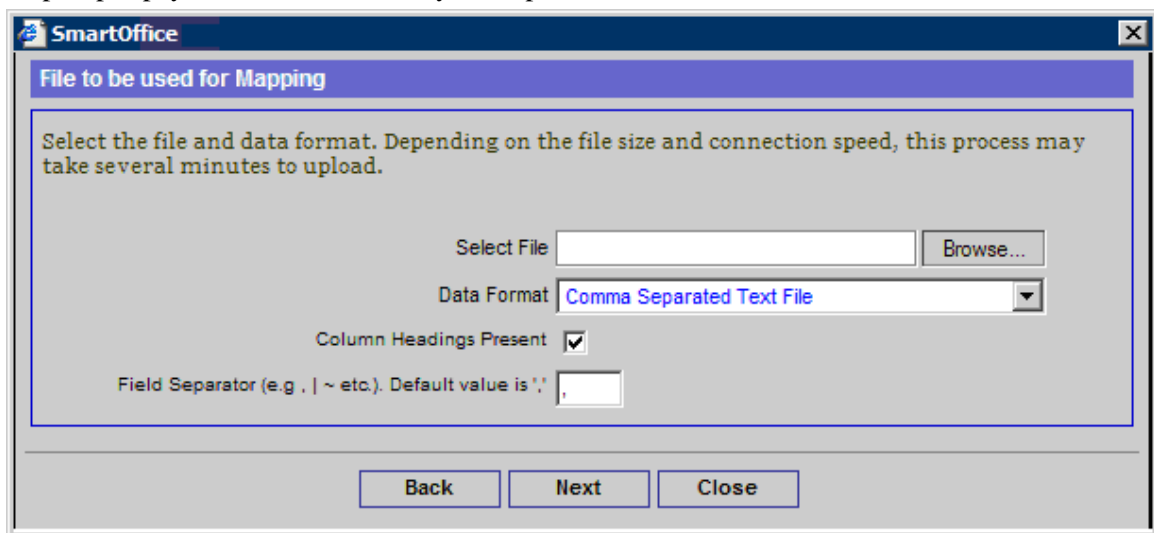
- Enter the setup name and then click the **Finish** button.
- If any changes are required to the import definition, return to this import utility and modify the existing mappings.

Split Payment Import

The split payment import enables users of other systems to import the split definitions to policies. In order to utilize this feature, the user must first define setup values through the **Calculation Setup** option in **CTM Setup** and then complete the section for Def. for Split Import. In this setup function, the **Percentage Of** will be identified for the rates being imported. Premium or Base Commission are common imports. **From year** and **Through year** is also identified.

Add a new Split Payment Import

1. Select **Setup** from the **CTM** expanded menu to display the setup options.
2. Select **Split Payment Import**.
3. Click the **Add** button to display the Split Payment Import Definition dialog box. In order to map a split payment file, first identify a sample file to use.

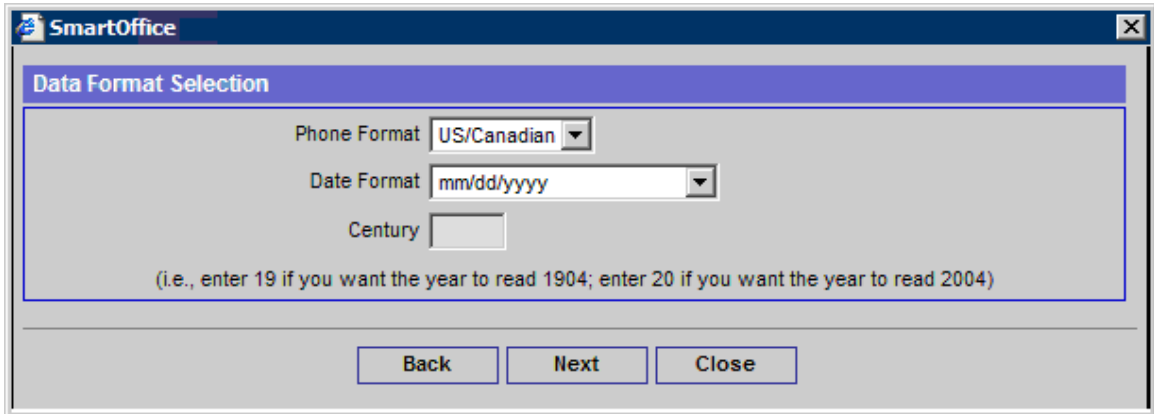


4. Identify the location of the file and the data format, check the option for column headings if the incoming file contains headings, and then click the **Next** button.
5. Map the incoming data file to the fields identified in the SmartOffice database.

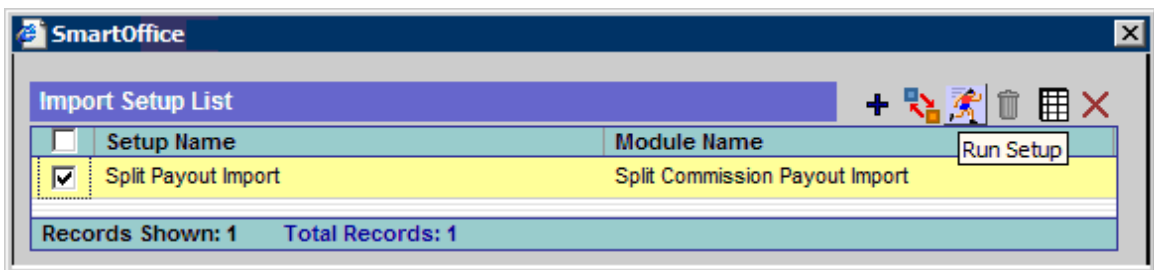
The fields available for mapping in SmartOffice include:

- The **Agent Code** is the advisor code assigned by the sending system. This code will be linked with the Code field found in the Advisor record in SmartOffice.
- The **Agent Role Code** identifies if the advisor is the primary advisor, writing advisor, external advisor, or house. Expected values in this field include: P – Primary Advisor, W – Writing advisor, E – External Advisor, and H - House
- The **Commission Type** identifies if this is base or trail commission. If this field is not identified, base is assumed. Base or Trail is expected in this field. At this time the software looks only for the types Base or Trail with the exact name spelled out in the incoming file.
- **Policy #**
- **Split %** is the rate being paid

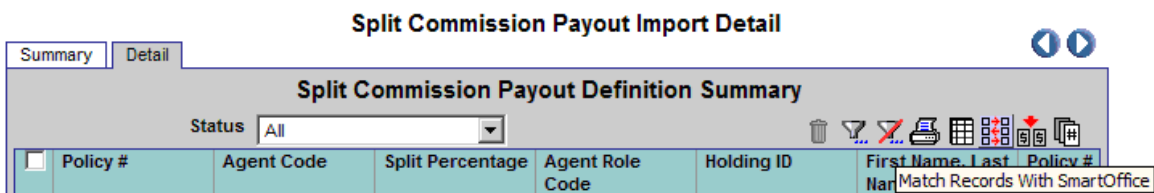
- Identify the Phone and Date Formats and then click the **Next** button.



- Enter the setup name and then click the **Finish** button.
- If any changes are required for the import definition, return to this import utility and modify the existing mappings.
- After the definition has been saved, run the definition by selecting the setup name and then click the **Run Setup** button.

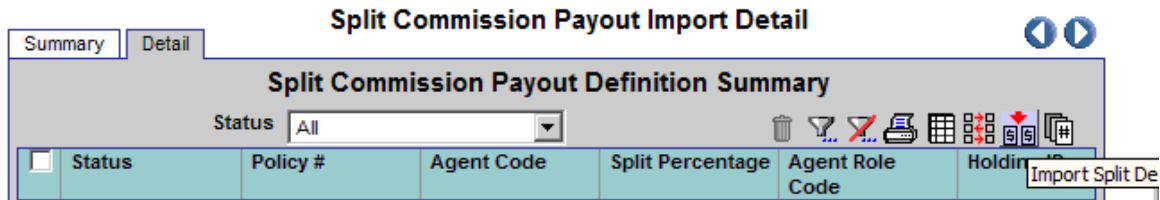


- A prompt will display requesting the location of the file and data format. Browse for the file for import, specify the data format, and then click the **Next** button.
- The import template will display for a review of the field mappings, click the **Finish** button.
- Data will import and a message will display identifying the number of records successfully imported; click the **Close** button to view the imported data.
- From the Summary, select the Data Set and then click the **Detail** tab.
- View the data to make certain the mapping was done correctly and then click the **Match records with SmartOffice** button. Make certain that the Status column displays on the spreadsheet; if it is missing, add it to the spreadsheet.



- Correct the errors with the data. Errors may include:
 - Policy and Agent Not Found
 - Policy # not found
 - Agent not found

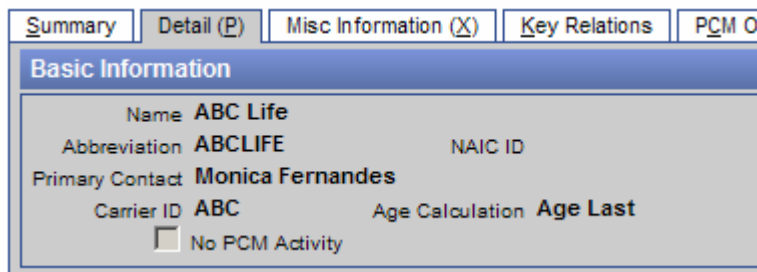
- Continue the process of reconciling the errors until all records display the status of: **Record Resolved**.



- Once all records are resolved, run the **Import Split Definition** function to import the data into the SmartOffice Advanced Commission Split tables. Only the items that display the Record Resolved status will be imported into the database and that status will change to Data Imported.

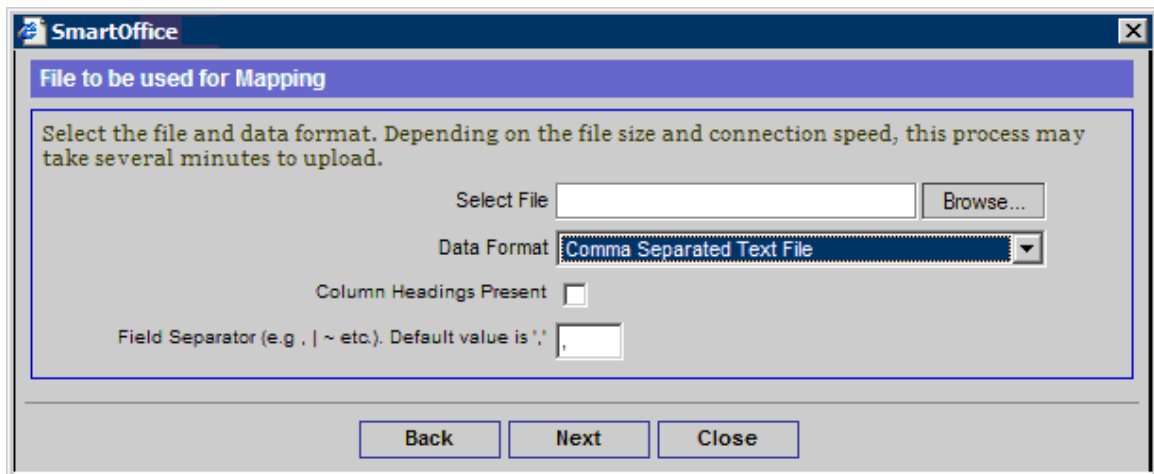
Agent Payout Import

The agent payout import enables history transactions from other systems to be imported and attached to existing policies. There is a critical mapping component of the carrier code that must be completed; the incoming file carrier code must map to the Carrier ID shown in the Basic Information section shown below.



Add a new Agent Payment Import

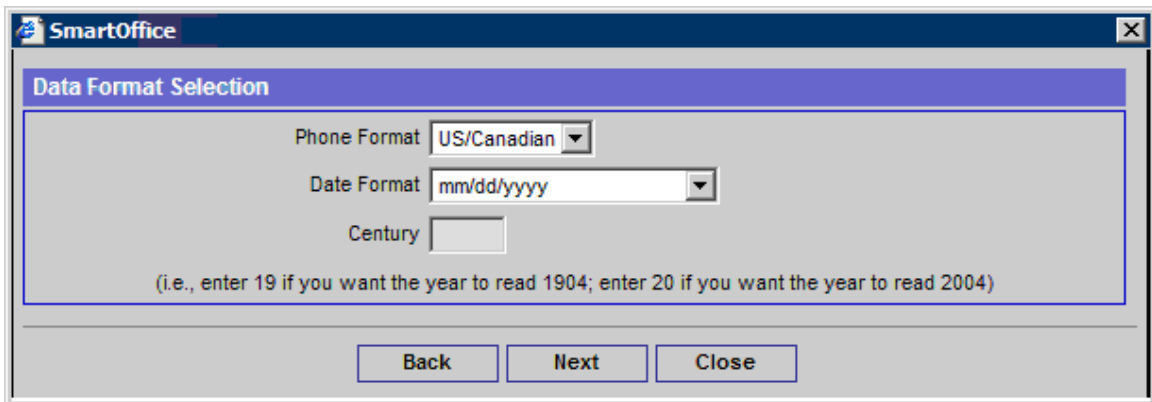
- Select **Setup** from the **CTM** expanded menu to display the setup options.
- Select **Agent Payment Import**.
- Click the **Add** button to display the Agent Payment Import dialog box. Map the incoming file to the agent payment fields by selecting a file to use as the template for the mapping.



The next dialog box prompts for the fields to be mapped.

Field definitions include:

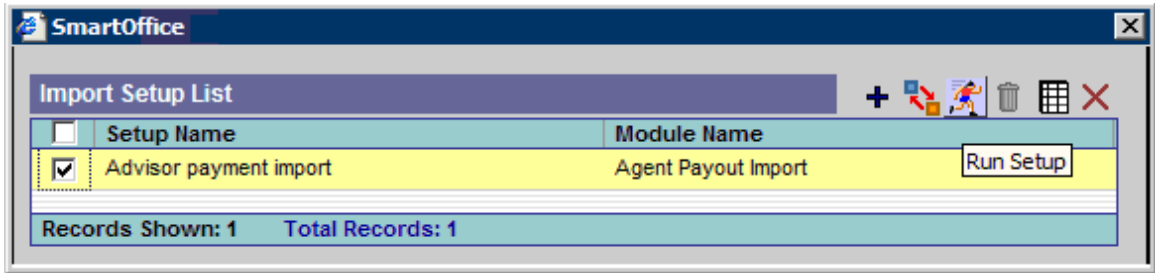
- The **Agent Code** is mapped to the Code field on the Advisor Detail tab in the Detail Information section.
 - The **Agent License #** is for informational purposes only and will not be imported into the system.
 - The **Agent Name** is for informational purposes only for correcting mapping errors with the agent code.
 - The **Carrier Code** is mapped to the Carrier ID field found on the Detail tab of the carrier record. It is found in the Detail section.
 - The **Carrier Name** is used for informational purposes only to provide information in doing the carrier code mapping.
 - **Check Number**
 - The **Commission Amount Due** is imported into the advisor payment record.
 - The **Commission Due Date** is imported into the advisor payment record.
 - The **Commission Paid Date** is imported into the advisor payment record.
 - The **Commission Paid Amount** is imported into the advisor payment record.
 - The **Commission Record Status** includes the R-received and E-expected values.
 - The **Commission Type** includes the Base and Trail values. Base and Trail are the only options available for importing at this time.
 - The **Component Premium** is imported into the advisor payment record.
 - The **Policy #** is used to match to the policy in SmartOffice. The carrier must have already matched before the policy record matching is completed.
 - The **Renewal/First Year** premium indicator displays the RN – Renewal and FY – First Year.
 - The **Source Agency Number** is used as an informational value only.
5. After mapping the appropriate fields, click the **Next** button.
 6. Identify the Phone and Date Formats and then click the **Next** button.



The image shows a screenshot of the 'SmartOffice Data Format Selection' dialog box. The dialog has a title bar with the SmartOffice logo and a close button. The main area contains three fields: 'Phone Format' with a dropdown menu set to 'US/Canadian', 'Date Format' with a dropdown menu set to 'mm/dd/yyyy', and 'Century' with a text input field. Below these fields is a note: '(i.e., enter 19 if you want the year to read 1904; enter 20 if you want the year to read 2004)'. At the bottom of the dialog are three buttons: 'Back', 'Next', and 'Close'.

7. Enter the setup name and then click the **Finish** button.
8. If any changes are required for the import definition, return to this import utility and modify the existing mappings.

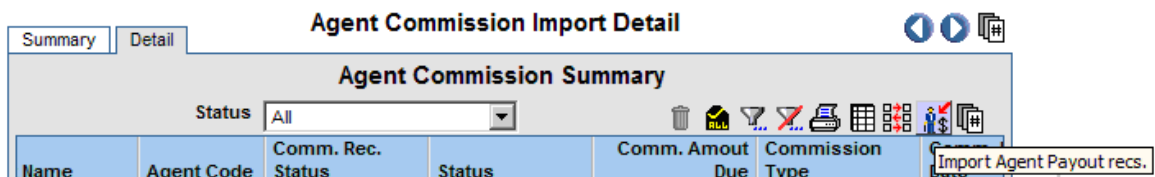
- Run the import by selecting the appropriate template and then click the **Run Setup** button.



- A dialog box will display requesting the location of the file to import along with the data format; select the appropriate file and then click the **Finish** button
- A dialog box displays identifying the number of records that were imported. Click the **Close** button to return to the Import dialog box.
- Select the appropriate file from the Summary and then click the **Detail** tab.
- From the Detail tab, click the **Match Records with SmartOffice** button.



- Errors will display including the following:
 - Policy and Agent Not Found
 - Carrier Not Found
 - Policy Not Found
 - Agent Not Found
- Correct all errors until the status of the transactions are Record Resolved. Once all records have been resolved, click the **Import Agent Payout Records** button.



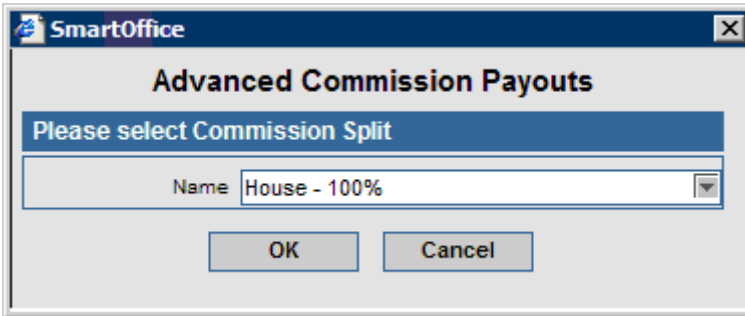
- The status of the records will change to Data Imported.
- To view the imported data, from the Policy Detail tab, select **List Commission Records**. Agency transactions are created to attach the advisor detail records.

Advanced Commission Splits on PCM/Policy Records

The establishment of the advanced commission split on the policy or pending case management record can happen at any time after the policy has been entered.

Add an Advanced Commission Split to a Policy (or PCM Record)

1. Select **Policy – Individual** from the **Policy** expanded menu.
2. Search for the policy number.
3. From the **Detail** tab of the policy (or from the **Summary** tab) click the **More Features** button to display all additional options.
4. Select **Advanced Commission Payouts**.
5. The Advanced Commission Payouts dialog box displays with a drop-down list of all Advanced Commission Split definitions that have been established. Select the appropriate definition and then click the **OK** button.



6. An editable spreadsheet is displayed. Look down the First Name, Last Name column and make certain that all values are populated. To populate information in this field, type a portion of the name in the field.

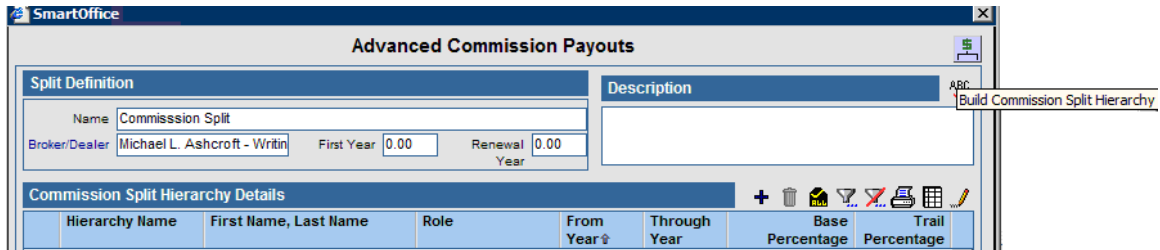
Role	First Name, Last Name	From Year	Through Year	Base Percentage	Base Percentage Of	Trail Percentage	Trail Percentage Of	Paid By
Role - House								
<input type="checkbox"/>	House	House - West	1	1	10.00	Base Commis: 10.00	Base Commis: 10.00	House
Role - Writing Advisor								
<input type="checkbox"/>	Writing Advisi	Philip T. Ande	2	99	10.00	Base Commis: 10.00	Base Commis: 10.00	House
<input type="checkbox"/>	Writing Advisi		1	1	30.00	Base Commis: 30.00	Base Commis: 30.00	House
<input type="checkbox"/>	Writing Advisi		2	99	30.00	Base Commis: 30.00	Base Commis: 30.00	House
<input type="checkbox"/>	Writing Advisi		1	1	30.00	Base Commis: 30.00	Base Commis: 30.00	House
<input type="checkbox"/>	Writing Advisi		2	99	30.00	Base Commis: 30.00	Base Commis: 30.00	House
Subtotal: Role - Writing Advisor (5)								
Role - Primary Advisor								
<input type="checkbox"/>	Primary Advis	Philip T. Ande	1	1	30.00	Base Commis: 30.00	Base Commis: 30.00	House
<input type="checkbox"/>	Primary Advis	Philip T. Ande	2	99	30.00	Base Commis: 30.00	Base Commis: 30.00	House
Subtotal: Role - Primary Advisor (2)								
Records Shown: 3 Total Records: 3								

7. Click the **OK** button to return to a regular view of the commission split hierarchy dialog box.

Change an Advanced Commission Split to a Policy (or PCM Record)

1. Select **Policy – Individual** from the **Policy** expanded menu.
2. Search for the policy number
3. From the **Detail** tab of the policy (or from the **Summary** tab) click the **More Features** button to display all additional options.
4. Select **Advanced Commission Payouts**.
5. The Advanced Commission Payout dialog box that was previously established opens.

- To completely change the advanced commission payout, click the **Build Commission Split Hierarchy** button.



- To modify individual advisors payments, click the first column of the advisor name found in the commission split hierarchy details and then change the rate.

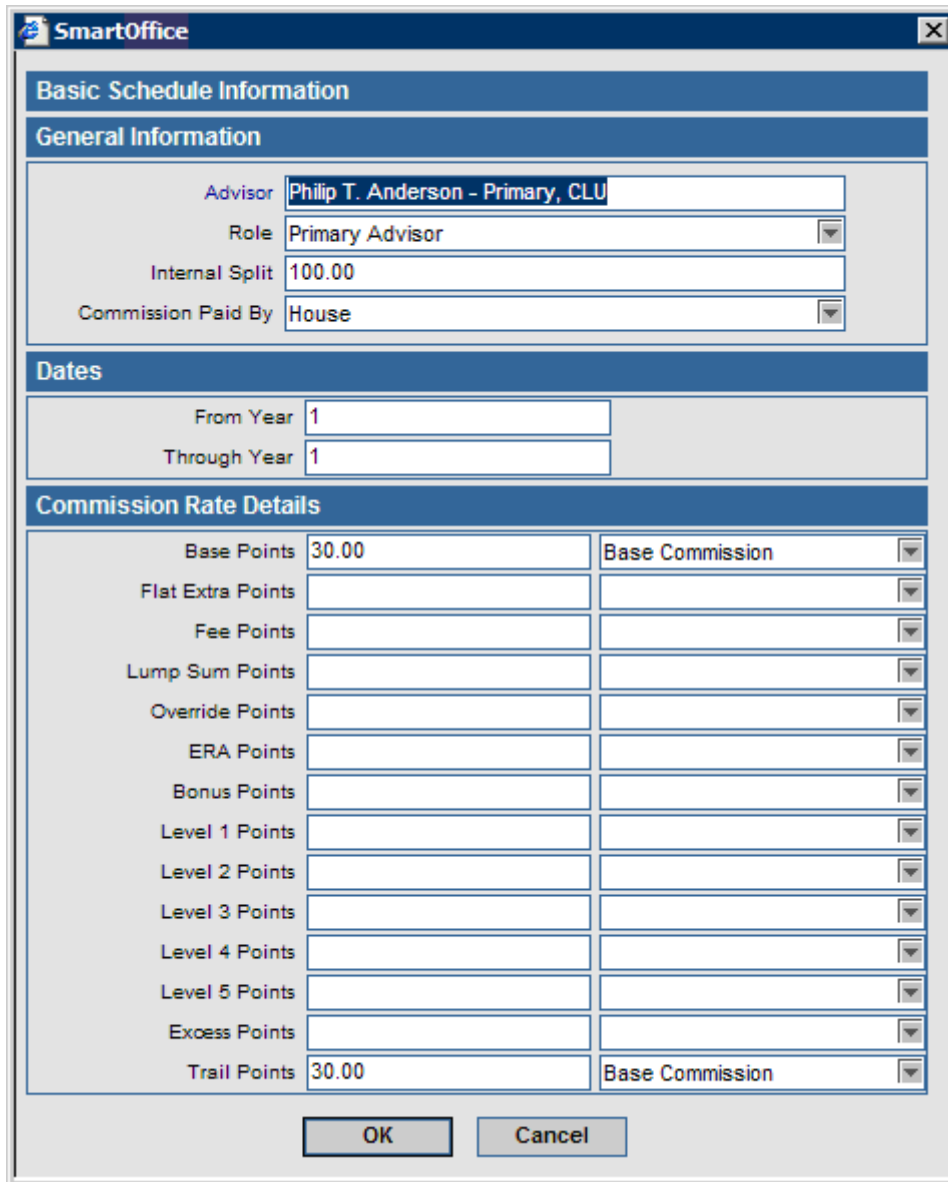
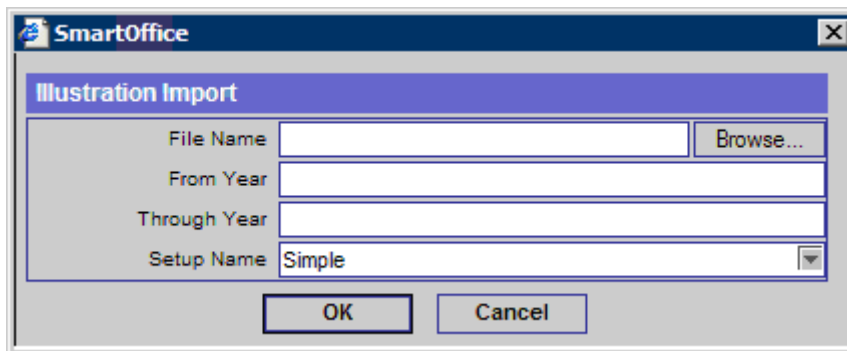


Illustration Import and Projection of Commissions

Advanced commission payouts must be established on the policy and illustration data imported in order to project commissions. The illustration import templates must have been established in the CTM setup section of the application in order to import illustration data.

Importing Illustration Data and Projecting Commissions in a Policy (or PCM Record)

1. Select **Policy – Individual** from the **Policy** expanded menu.
2. Search for the policy number.
3. From the **Detail** tab of the policy (or from the **Summary** tab) click the **More Features** button to display all additional options.
4. Select **Illustration Import**.
5. If illustration data has not yet been imported for this policy, the Illustration Import dialog box will display. Browse to select the file name you want to import, identify the number of years using the From/Through Year fields, and select the illustration template that was created during the illustration import setup feature. If you do not have an illustration file to import, the data can manually be entered by leaving the file name blank and clicking the **OK** button. The Commission records screen will be displayed and data can be manually entered.



6. Review the data to ensure the import worked properly. If all looks good, click the **Calculate Commission** button. In order for the commission data to process correctly, the **Policy Date** and **Payment Mode** must be established on the policy.
 - Base Commission transactions are imported as an annual mode. Logic is in place to look at the mode from the policy and break up this annual number modally for the house and all advisor records.

- Trail Commission transactions are imported as annual transactions and will remain annual. Trail premium is not broken up through the mode.

<input type="checkbox"/>	Age	Year	Premium Paid	Target Prem	Base	Commission
<input type="checkbox"/>	<None>	1	10,000.00		5,000.00	
<input type="checkbox"/>	<None>	12	10,000.00		250.00	
<input type="checkbox"/>	<None>	13	10,000.00		250.00	
<input type="checkbox"/>	<None>	14	10,000.00		250.00	
<input type="checkbox"/>	<None>	15	10,000.00		250.00	
<input type="checkbox"/>	<None>	16	10,000.00		250.00	
<input type="checkbox"/>	<None>	17	10,000.00		250.00	
<input type="checkbox"/>	<None>	18	10,000.00		250.00	
<input type="checkbox"/>	<None>	19	10,000.00		250.00	
		Records Shown: 20	Total Records: 20			

- The Expected Commission Summary displays the commission projections for this policy for review.

Reconciliation and Commission Statement Generation

Speed Receipt Entry

There are four ways to get commission transaction data from the Insurance Carriers into the SmartOffice system for reconciliation. Speed receipt entry offers two ways, manual data entry, and importing of non-standard files. The carrier posting feature offers another and the final way to get data into the system is through the ACORD data feed.

It is not necessary to use speed receipt entry to reconcile carrier statements. Speed receipt entry offers a method of enabling someone to key in the transaction data from the statement or import the data from a non-standard file format and use this data as the source for performing the commission reconciliation process of SmartOffice. Carrier Posting displays all expected commission records and enables reconciliation to be performed by the user by comparing the commission statement to the values that are displayed on the Carrier Posting dialog box.

The workflow when using speed receipt entry is as follows:

- Identify the carrier, check amount, check date, and check number.
- Enter data or import the transactions found on this statement.
- Run a validation process to match with SmartOffice records.
- Move the validated transactions to the Carrier Posting function for reconciliation. Some transactions will move as reconciled and others will remain open because the expected amount does not match the amount received.
- Reconcile the items that were not auto reconciled by using the create balance due, waived, modify advisor transactions, and suspense transactions.

The workflow when using Carrier Posting only is as follows:

- Identify the carrier, check amount, check date, and check number.
- Look at the transactions on the screen and validate them against the commission statement (paper statement) received from the carrier.
- Reconcile the items by using the create balance due, waived, modify advisor transactions, and suspense transactions.

To access Speed Receipt Entry:

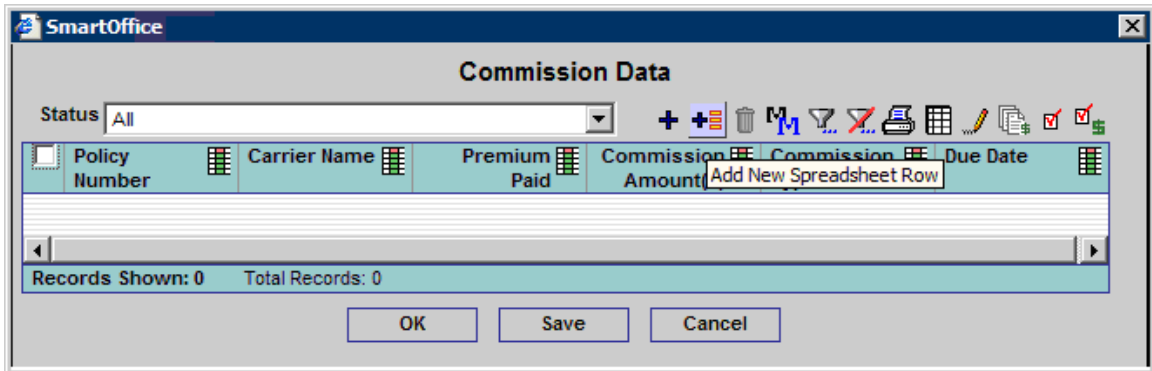
1. Select **Speed Receipt Entry** from the **CTM** expanded menu to display the Search Speed Receipt Entry dialog box.
2. Click the **Search** button to display all existing Speed Receipt Entries.
3. Click the **Add** button.

The screenshot shows a dialog box titled "Speed Receipt Entry Detail" from the SmartOffice application. It contains several input fields: "Payor Name" (empty), "Check Date" (12/23/2005), "Check #" (empty), and "Check Amount" (empty). Below these fields is a "Remarks" section with a text area and a small "ABC" label with a red checkmark. At the bottom are "OK" and "Cancel" buttons.

4. Enter the Payor Name, Check Date, Check #, and Check Amount and then click the **OK** button.
5. To enter a single transaction into speed receipt entry, select the **Add** button in the Commission Data section on the Speed Receipt Entry Detail dialog box. Enter the Policy Number, Commission Amount, and Due Date (at a minimum), and then click the **OK** button.






The screenshot shows a dialog box titled "Commission Data Detail" from the SmartOffice application. It is divided into two main sections: "Illustration Import" and "Validated". The "Illustration Import" section has input fields for "Policy Number", "Carrier Name", "Premium Paid", "Commission Amount(\$)", "Commission Type", and "Due Date". The "Validated" section lists several items: "Policy", "Carrier", "Modal Premium", "Expected Commission", "Commission Type", "Expected Due Date", and "Error/Validated". Below these sections is a "Remarks" section with a text area and a small "ABC" label with a red checkmark. At the bottom are "OK" and "Cancel" buttons.

- To enter multiple transactions into speed receipt entry, select the **Switch to Edit Mode** button in the Commission Data section of the Speed Receipt Entry Detail dialog box. An editable spreadsheet displays.






- Click the **Add New Spreadsheet Row** button to open the speed receipt entry mode of data entry. Be certain that the column headings represent the data elements that you want to focus on. Remove any unnecessary fields and add any required fields.
- In speed mode, tab through the fields while entering data. Click the **OK** button when the data entry is complete.



Buttons unique to this panel vs. other panels in SmartOffice:



-  This button will add a single record to the speed receipt entry.
-  This button will open speed receipt entry mode where multiple rows can be entered.
-  This button will take the data that was entered and create a commission payment record based on the payment data found in SmartOffice for advisor payments.
-  This button will accept the data entered as an adjustment to the agency record. No advisor records will be generated.
-  This button will take the entered data and actually validate it against SmartOffice to locate a policy and projection that will match the entered data.

- Once all transactions have been entered, you can validate all of the transactions at once from the Speed Receipt Entry Detail dialog box. All of the buttons listed above are available from the Detail dialog box on an individual transaction basis. In addition to the buttons listed

above, there is a button  to link a given transaction to an existing carrier posting. This is how transactions will be moved on an individual basis to an existing carrier posting. If your goal is to enter 100% of the commission statement into the speed receipt entry and keep the integrity while moving to the carrier posting, click this button in the Speed Receipt Entry Detail dialog box to create a new carrier posting and pass all transactions into a new carrier posting.

- Buttons at the top of the Speed Receipt Entry Detail dialog box offer additional functionality.
 -  Import Process. Details on this feature are listed in the next section of the documentation.
 -  Commission Dictionary. The dictionary is used to map the carrier's commission types (base, excess, etc.) to the premium types found in SmartOffice. Information on how to setup these dictionary values is found in the next section.

-  Post Remainder to House. There will be times you do not want to post 100% of the transactions found on the statement. If this is true, then enter all of the transactions needed and take this option to post the remainder to the house. This creates an adjusting entry to the house account representing the money that was not linked to a policy.
-  Validate all Commission Transactions. This option is used after speed receipt entry has been completed or the import of data has been executed. All transactions will be reviewed and the system will locate the policy and expected commission transaction that matches this entry. If both a policy and the expected commission transaction were located then the transaction will be validated. If there is any kind of problem, the transaction will fall into one of the many error codes listed below:
 - **Calc Error – Carrier not attached to case.** Check the policy record in SmartOffice and make certain an insurance carrier is linked to the policy.
 - **Calc Error – Insufficient calculation data.**
 - **Calc Error – No Advanced Commission Split defined.** Go to the policy record of SmartOffice and create Advanced Commission Split data for the policy.
 - **Calc Error – Policy date not found.** Go to the policy record of SmartOffice and make sure the Policy Date (Effective date) is defined.
 - **Carrier Not Found.** The carrier in the transaction was not found.
 - **Commission type not found.** If this error is displayed, check the dictionary values for this carrier and make certain the commission types being entered are found in the dictionary.
 - **No Advanced Commission Split.** Same as the Calc Error – No Advanced Commission Split defined.
 - **Not Validated.** Run the **Validate all Commission Transaction** feature at the top of the panel.
 - **Policy number not found.** The policy number did not match to a policy in SmartOffice.
 - **Projection Found but out of Date Range.** This feature looks at several items in the system. The first is the due date entered during speed receipt entry or import. The second is the due dates found in the projections. The third is a commission calculation setup field called Projection Validity Date Range. The projection validity date range is the variance that is allowed from the due date entered to the projection due date that was actually found. This enables the agency due date to be off slightly from the carrier identified due date.
 - **Projection not found.** This item could be identified because projections were not performed for the policy or the Projection Validity Date Range check (mentioned in the above bullet) failed validation. The options to correct this error include changing the due date of the data found in Speed Receipt entry and revalidating the data, go to the policy and project commissions for this case, or utilize the feature found in Speed Receipt Entry to Calculate Commissions.
 - **Validated.** The validated status means that a policy and expected commission record have been matched to this transaction; it does not mean that the transaction is reconciled. The reconciliation process is completed when the transactions are passed into the carrier posting.

- **Validated and Linked.** This status used to show the transaction has been validated to a policy and an expected commission and a carrier posting transaction has been created for it. If you would like a hyperlink to the carrier posting it was linked to, add the column Carrier Posting Name to the column list and a hyperlink will display.
-  Update Posting Status. This option changes the status of this Speed Receipt entry screen from Open to Reconciled. It can only be performed if the Posted amount displayed on this screen matches the check amount.
-  Create New Carrier Posting. This button takes all the transactions found in this speed receipt entry and generates carrier posting records for them. A list of the carriers that make up this speed receipt entry will be displayed because the carrier posting function must be performed per carrier. Select all carriers or choose just a single carrier with which to begin the carrier posting process.

Importing Commission Data

1. Select the **Commission Import for Speed Receipt Entry** button to display an Import Setup list.
2. Select the **Add** button to add a new setup definition. If a definition already exists then click the **Run Setup** button.
3. If the **Add** button is selected, a prompt is given for a file to be selected as a template and a data format. Click the **Next** button.
4. A mapping routine then must be executed mapping the following fields to fields found in the imported data.
 - Carrier Name
 - Commission Amount
 - Commission Type
 - Due Date
 - Modal Premium
 - Policy Number
 - Premium Paid
 - Remarks

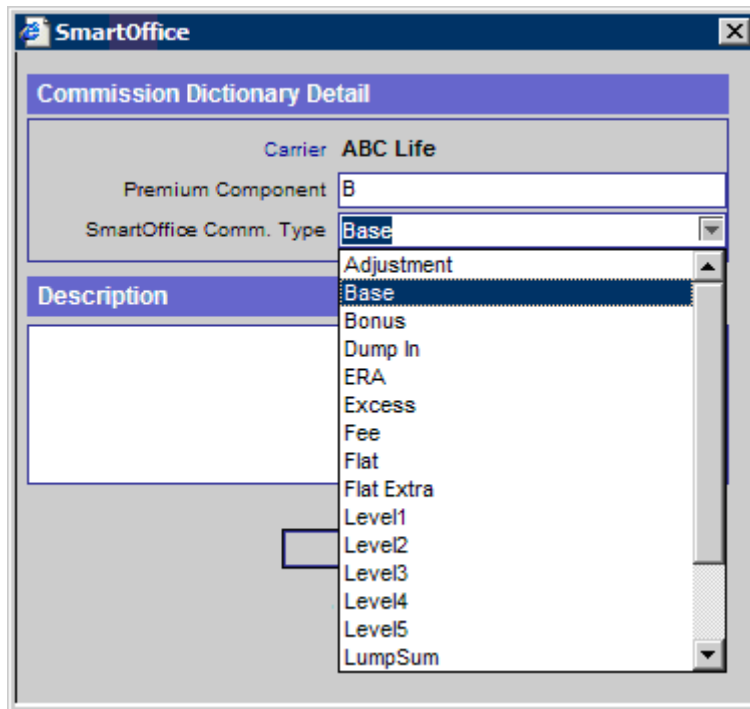
Depending on the type of calculations being performed in the system, certain fields such as commission amount may be required. Commission amount and premium are the primary factors in calculating commissions. Commission amount is the primary field used specifically in the reconciliation process.

5. After mapping the appropriate fields, click the **Next** button.
6. Identify the Phone and Date Formats and then click the **Next** button.
7. Enter the setup name and then click the **Finish** button.
8. If any changes are required to the import definition, return to this import utility and modify the existing mappings.
9. Execute the import by selecting the appropriate template and then click the **Run Setup** button.

Updating the Commission Dictionary

To update the dictionary you must have access to the office the carrier was created in. The dictionary will be used to map data entered in the commission type field to the commission types available in SmartOffice.

1. From the Carrier Detail tab, select the **Commission Dictionary** button.
2. Click **Add** from the Commission Dictionary Summary.
3. Enter the premium component from the carrier and match it to the SmartOffice Commission Type.



Carrier Posting

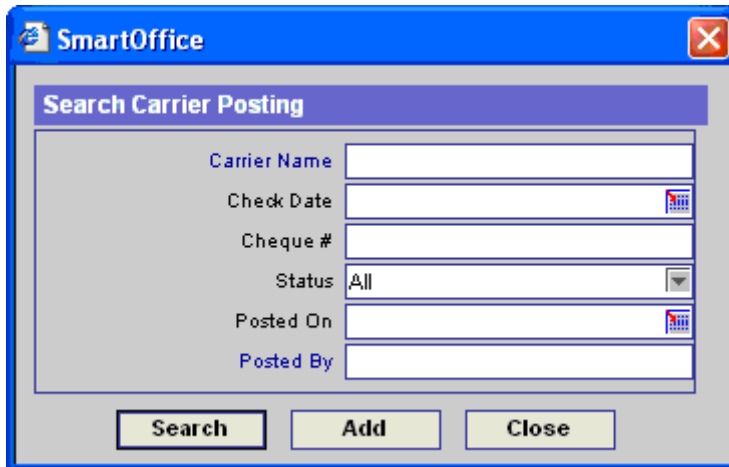
Commission checks received within the office must be reconciled. The Carrier Posting function is used to accomplish the validation as well as to begin the process of creating payments to other parties.

When using speed receipt entry this add function will not be utilized; create a Speed Receipt Entry and once validated, generate a carrier posting from within Speed Receipt entry.

To access the Carrier Posting information:

1. Select **Carrier Posting** from the **CTM** expanded menu to display the Search Carrier Posting dialog box.

2. Click the **Add** button to open the Carrier Posting dialog box.










The image shows a screenshot of the 'Search Carrier Posting' dialog box in the SmartOffice application. The dialog box has a blue title bar with the 'SmartOffice' logo and a close button. The main area contains several input fields: 'Carrier Name', 'Check Date', 'Cheque #', 'Status' (set to 'All'), 'Posted On', and 'Posted By'. At the bottom of the dialog box, there are three buttons: 'Search', 'Add', and 'Close'.





3. Enter the Carrier, Check Date, Check #, and Check Amount and then click the **Post Check** button.

The commission system will review all of the due transactions found in SmartOffice and display a list of expected commissions. From the Expected Commission dialog box the user will begin to reconcile the check that has been received.


The reconciliation options:

-  Mark the Transaction as Reconciled: What was expected does match what was actually received.
-  Un-reconcile a Transaction that was Reconciled in Error.
- Mark the Transaction as a Write-off: What was expected does not match what was actually received and the difference will be written off and not reconciled to the penny. The user must pull up the detail transaction in order to identify the amount paid to be able to use the write-off feature.
-  Create a Balance Due. Mark a portion of the transaction as reconciled and create a second transaction for the portion that was not reconciled.
-  Mark the Transaction as a Suspense Item: The suspense transaction will lock a transaction to a given carrier posting without requiring it to be reconciled or written off. The amount of payment must be logged but no advisor payments will be initiated from this payment.
-  If using % of base commission as a payment type to the advisors, the amount to be paid an advisor can be modified based on the commission amount received by the agency.
-  Close an Open Transaction. This option will be used if you do not expect to be paid for the transaction. This option is helpful when first using the commission system and old transactions must be closed.
-  Open a Closed Transaction. Used to reverse the closed option if done in error.

Additional options available from the Carrier Posting Detail tab:

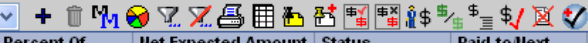
-  The ability to view advisor payouts.
-  The ability to delete a given transaction.
-  The ability to create an advance payout.
-  The ability to reconcile the remainder of a check to a House account.
- The ability to update a policy with new premium values and re-project commissions. Must be performed from the Detail page of a transaction.

Carrier Posting - Carrier M

Summary | Detail


General Information

Posted Amount 0.00	Carrier Name Carrier M	Cheque # 2	Posted By Admin
Cheque Amount 2.00	Check Date 10/11/2006	Status Open	Posted On 10/11/2006
Difference 2.00	Remarks		

Expected Commission Summary Status: All


<input type="checkbox"/>	Expected Due Date	Commiss Type	Component Premium	Percentage(%)	Percent Of	Net Expected Amount	Status	Paid-to/Next Due Date
Policy # - Test Policy-07								
<input type="checkbox"/>	16/11/2006	Base				0.0000	Open	
Subtotal: Policy # - Test Policy-07								
Records Shown: 1 Total Records: 1								

Reconcile a Transaction from the Carrier Posting Detail Tab

From the Carrier Posting Detail tab, select the transaction that is to be marked as reconciled and then click the **Reconcile** button.

Reconcile a Transaction from the Commission Detail Dialog Box

1. From the Carrier Posting Detail tab, click the first column hyperlink of the transaction to be reconciled to open the Commission Detail dialog box.

2. Enter the Paid Commission and then click the **OK** button. If the Net Expected Amount matches the Paid Commission, the transaction will automatically be moved to Reconciled.

Write-off a Transaction from the Commission Detail Dialog Box

To log a transaction that is to be written off from the Commission Detail dialog box (expected commission does not match the received commission):

1. From the Carrier Posting Detail tab, select the first column hyperlink of the transaction to be reconciled to display the Commission Detail dialog box.
2. Enter the Paid Commission. The difference between the Net Expected Amount and the Paid Commission amount is reflected in the Difference column.
3. Click the **OK** button.
4. Click the **Write Off Discrepancy** button.
5. Upon returning to the original carrier posting Expected Commission Summary, the transaction will be displayed with a waived status.

Create an Outstanding Receivable for Future Statements

To log a transaction so that a portion of it is reconciled and the other portion must be logged so it displays in future statements, complete the following:

1. From the Carrier Posting Detail tab, select the first column hyperlink of the transaction to be reconciled to display the Commission Detail dialog box.
2. Enter the Paid Commission. The difference between the Net Expected Amount and the Paid Commission amount is reflected in the Difference column.
3. Click the **OK** button.

4. Click the **Create Balance Due/Excess Pay Record** button.
5. Upon returning to the original carrier posting Expected Commission Summary, there are two transactions for this policy, the original that is now reconciled for the amount received and a second that is now open.

Place a Transaction in Suspense

If during the reconciliation process a transaction cannot be reconciled yet the remaining entries of this batch must be passed into the check-writing portion of the commission process, place a transaction in suspense to be handled at a later time:

1. From the Carrier Posting Detail tab, select the first column hyperlink of the transaction to be reconciled to display the Commission Detail dialog box.
2. Enter the Paid Commission. The difference between the Net Expected Amount and the Paid Commission amount is reflected in the Difference column.
3. Click the **OK** button.
4. Select the **Create a Suspense Record** option.
5. Upon returning to the original carrier posting Expected Commission Summary, there will be a single record that is in a suspense status. Suspense records can be pulled up at any time for reconciliation by using the **Suspense Items** menu option.

Modify Advisor Commissions

If during the reconciliation process the amount received from the carrier is not what was expected, reconcile the transaction and update the advisor payments based on the actual amount received from the carrier.

1. From the Carrier Posting Detail tab, select the first column hyperlink of the transaction to be reconciled to display the Commission Detail dialog box.
2. Enter the Paid Commission. The difference between the Net Expected Amount and the Paid Commission amount is reflected in the Difference column.
3. Click the **OK** button.
4. Select the **Modify Advisor Commission** option.
5. Upon returning to the original carrier posting Expected Commission Summary, there will be a single record that is in a reconciled status. In the Expected Commission Summary for the individual policy, there will be a closed transaction that represents the amount that was not paid on this transaction.

Add an Adjusting Entry

Adjusting entries can be added from within the Advisor section, from the Commission tab or from within the Carrier Posting section. The result is the same.

When the Carrier sends entries that are not related to a given policy and these funds need to be added to the Carrier Posting to balance the check, perform the following:

1. From the Carrier Posting Detail tab, click the **Add** button to display a blank Commission Detail dialog box.
2. If this is a transaction related to a policy, specify the Policy #; if not, leave the policy number blank.
3. Enter the adjustment amount in both the Expected Amount and the Paid Commission fields.
4. Enter any remaining applicable information and then click the **OK** button.
5. Leave the Type of Adjustment as **Adjustment**.

6. The prompt to “Create an associated Advisor statement?” displays. To pass some of the funds to an advisor, click the **OK** button; if not, click the **Cancel** button.
7. For an Advisor transaction, enter the Advisor, Payable Due Date, Expected Payable Amount, Commission Paid By, and Save as Adjusting Entry information.
8. Click the **OK** button when finished.
9. A prompt displays to add another advisor statement. Click the **Cancel** button.




Batch Processing

Batch processing is used to consolidate carrier postings for statement generation. Utilizing this feature, multiple carrier postings can be consolidated and individual statements generated to the advisors for payment. An export feature enables all of the transactions to be moved into a check writer such as QuickBooks. The paid transactions are posted into the history file of SmartOffice and a check register is saved for review.

Add and Process a New Batch

1. Select **Batch Processing** from the **CTM** expanded menu to display the Search Commission Batch dialog box.
2. Click the **Add** button to display the Batch Processing Detail tab.
3. Enter the Batch Name and any other applicable information.
 - **Batch Name:** The name associated with this batch such as August 15th Check Run, or August Mid-Month.
 - **Batch Description:** Used for a more detailed description of what is contained within the batch.
 - **Hold Advisor Checks Under the Minimum amount:** If checked, the minimum check amount that is identified in CTM Setup is used to determine if the advisor check should be held; or, if a minimum check amount has been identified on the advisor record, a given amount on the advisor record will be used. Statements are generated for the Under Minimum Check Amount but the transactions will not be passed into the check writing software for payment. If selected, all advisors will receive a check regardless of the check total..
 - **Include Adjustment Entries:** Includes any transactions with a type of adjustment.
4. Click the **Save** button.

Once the batch has been saved, the following buttons become active in the Carrier Posting Summary.

-  **Link Carrier Posting:** Permits a single posting to be selected from the reconciled list.
-  **Unlink Carrier Posting:** Permits a single posting to be removed from this batch.
-  **Link all Carrier Postings:** Takes all carrier postings that have not yet been processed and are in a reconciled status, and adds them to this batch.

- Once all postings have been selected, click the **Process Commission Batch** button.
The process option will review all records and determine which transactions need to be sent to be paid based on the minimum check amount indicator. Once the Processing is complete, four additional buttons become active: Show Advisor Commission Summary, Export Batch Commissions, Post Batch, and Show Advisor Check Summary.

Batch Processing Detail

Summary | Detail

General Information

Batch Name: **January 5th CR** Hold Advisor Checks Under the Minimum Amount
 Status: **Posted** Include Adjustment Commission Entries
 Date: **01/05/2005** Include Suspense Item(s) from previous batch(s)
 Batch Description: **Mid-week Check run for Jan 5th.** Include On Hold Transactions

Carrier Posting Summary

<input type="checkbox"/>	Posted On	Carrier Name	Check Date ³	Check Number	Check Amount	Status
<input type="checkbox"/>	01/05/2005	ABC Life	12/31/2004	CK29328	1,624.99	Processed

- Click the **Show Advisor Commission Summary** button to generate the Advisor Statement Summary report.
- All payments due to advisors are displayed. The layout can be modified using the **Customize Spreadsheet** option. The layout also controls how the commission statements are displayed. If a column is needed, customize the spreadsheet and then reprint the statement.

SmartOffice

Advisor Statement Summary

<input type="checkbox"/>	First Name, Last Name	Role	Commis Type	Compot Premium	Percent (%)	Percent Of	Split Percent	Receivable	Paid By	Due Date	Status
<input type="checkbox"/>	Philip Anderson	Advisor	Base	500,000.00	50.00	Base Commission	100.00	100,000.00	House	06/28/2004	Paid
<input type="checkbox"/>	Gregory Laymen	Advisor	Base	1,000.00	55.00	Premium	100.00	550.00	House	04/01/2004	Paid
<input type="checkbox"/>	Philip Anderson	Supervisor	Base	1,000.00	65.00	Premium	100.00	100.00	House	04/01/2004	Paid
<input type="checkbox"/>	Daniel A. Odell	Supervisor	Base	1,000.00	75.00	Premium	100.00	650.00	House	04/01/2004	Paid
<input type="checkbox"/>	Gregory Laymen	Advisor	Base	1,000.00	55.00	Premium	100.00	517.65	House	05/01/2004	Payment Due
<input type="checkbox"/>	Philip Anderson	Supervisor	Base	1,000.00	65.00	Premium	100.00	94.12	House	05/01/2004	Payment Due
<input type="checkbox"/>	Daniel A. Odell	Supervisor	Base	1,000.00	75.00	Premium	100.00	611.76	House	05/01/2004	Payment Due
<input type="checkbox"/>	Daniel A. Odell	Supervisor	Base	1,200.00	10.00	Premium	100.00	120.00	House	05/10/2004	Paid

Records Shown: 8 Total Records: 8

- Once the layout and sort order is established, click the **Generate Advisor Commission Report** button.

Sherri **Composite Commission Statement** **11/05/2004**

Advisor : **Odell, Daniel A.** SSN # : **125-63-5424**

Advisor Statement Summary

Records: 3

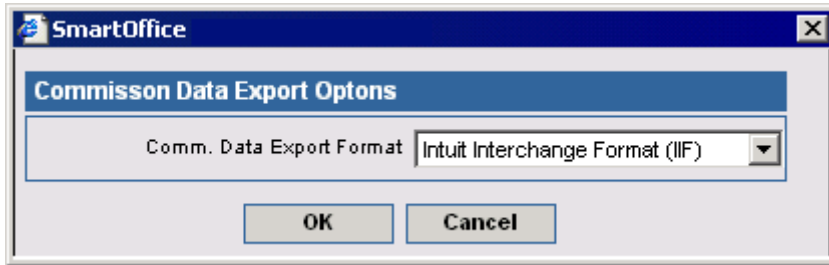
First Name, Last Name	Role	Commis Type	Component Premium	Percentage (%)	Percent Of	Split Percent	Receivable
Carrier Name - ABC Life							
Daniel A. Odell	Supervisor	Base	1000.0	75.0	Premium	100.0	650.0
Daniel A. Odell	Supervisor	Base	1000.0	75.0	Premium	100.0	611.764705882
Daniel A. Odell	Supervisor	Base	1200.0	10.0	Premium	100.0	120.0
Subtotal: Carrier Name - ABC Life							1,381.76
Total							1,381.76

Post Batch

When all transactions have been viewed on the advisor statements, the next process is to post the batch to the history file. Once the batch has been posted, an additional option becomes available on the main commission panel to e-mail statements if required.

Export Commission Transactions

The export feature is used to export data into an accounting package. Currently QuickBooks is the supported format.



Once the file has been exported and saved to the local computer, the file can be manually imported into QuickBooks using the QuickBooks import feature.

Configuration of the QuickBooks interface must be completed to use this feature. To access the configuration options found within SmartOffice, complete the following:

1. Select **Setup** from the **CTM** expanded menu.
2. Select **Commission Export Setup**.
3. Multiple options are available.
 - The system can be configured to use the original accounts: Commissions & Commission Receivable by selecting the box that displays “Use default accounts for Export File.” This was the original hard-coded account with the original commission system.
 - The system can be configured to use two default accounts established by the user. In this configuration, the option for “Use default accounts for Export File” will remain cleared and data will be found in the default commission expense account and default account payable account fields.
 - The system can be configured to use different accounts based on Carrier, policy year, commission type, insurance type, and status. The lower section of the screen will allow for all of these variations. Create the mappings in the section called Commission Account Summary. Also, be certain to define the default values in the Default section so if a combination of these items cannot be found, default accounts can be used.

Commission Export Setup

Carrier ID	Policy Year	Commission Type	Account Type	Insurance Type
------------	-------------	-----------------	--------------	----------------

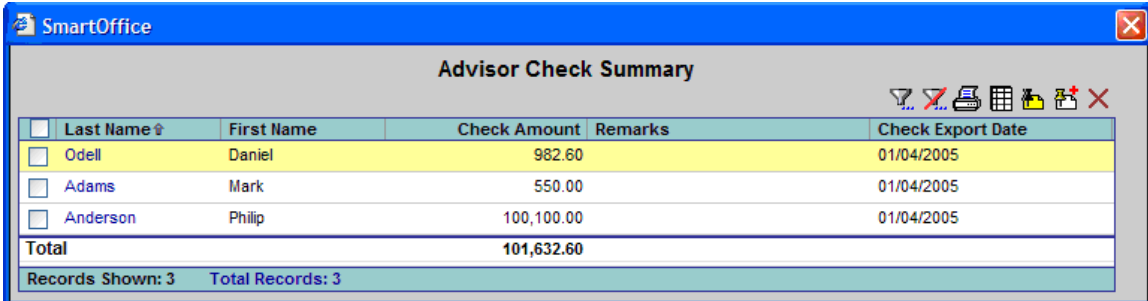
Records Shown: 0 Total Records: 0

E-mail Advisor Statements

An e-mail function is available from the Batch Processing section. When this option is selected, all statements from the current batch are e-mailed to the primary e-mail address of the advisor.

Advisor Check Summary

Click the **Show Advisor Checks Summary** button to display the check amount for each advisor and the transactions that make up that check.

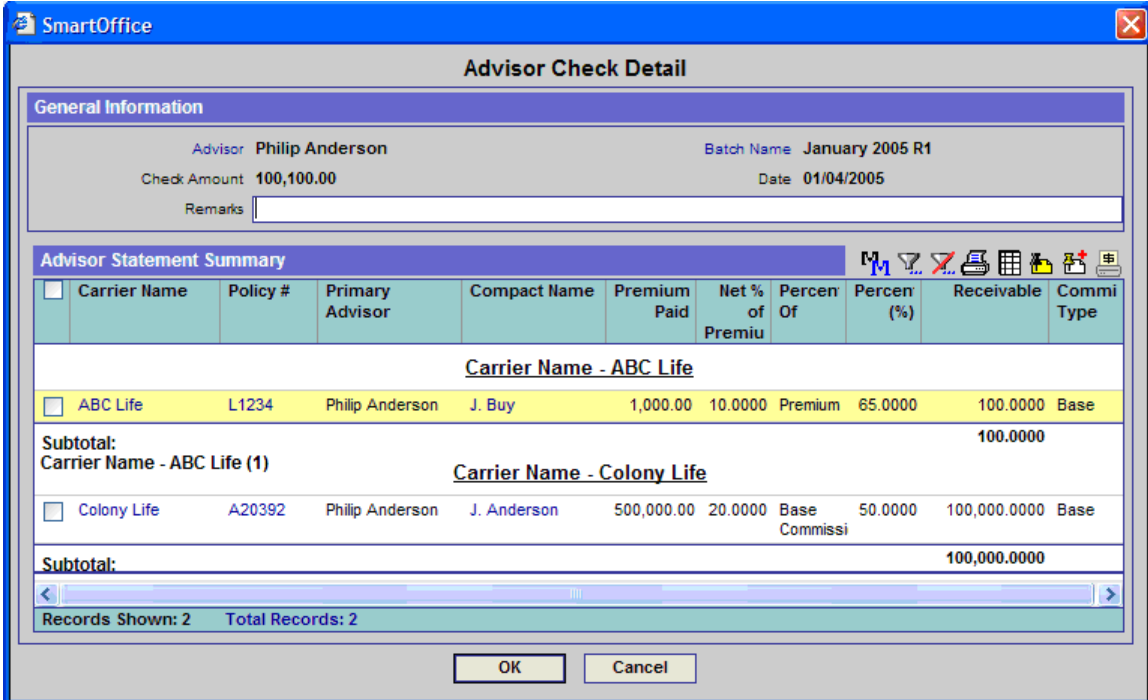


The screenshot shows the 'Advisor Check Summary' window in SmartOffice. It features a table with columns for 'Last Name', 'First Name', 'Check Amount', 'Remarks', and 'Check Export Date'. There are three rows of data and a 'Total' row. Below the table, it indicates 'Records Shown: 3' and 'Total Records: 3'. The window title is 'SmartOffice' and the title bar text is 'Advisor Check Summary'.

<input type="checkbox"/>	Last Name	First Name	Check Amount	Remarks	Check Export Date
<input type="checkbox"/>	Odell	Daniel	982.60		01/04/2005
<input type="checkbox"/>	Adams	Mark	550.00		01/04/2005
<input type="checkbox"/>	Anderson	Philip	100,100.00		01/04/2005
Total			101,632.60		

Records Shown: 3 Total Records: 3

Click the first column hyperlink to display the transaction details that make up this specific check.



The screenshot shows the 'Advisor Check Detail' window in SmartOffice. It is divided into sections: 'General Information', 'Advisor Statement Summary', and a data table. The 'General Information' section shows 'Advisor: Philip Anderson', 'Batch Name: January 2005 R1', 'Check Amount: 100,100.00', and 'Date: 01/04/2005'. The 'Advisor Statement Summary' section has a table with columns for 'Carrier Name', 'Policy #', 'Primary Advisor', 'Compact Name', 'Premium Paid', 'Net % of Premium', 'Percent of', 'Percent (%)', 'Receivable', and 'Commi Type'. There are two subtotals for 'Carrier Name - ABC Life' and 'Carrier Name - Colony Life'. The window title is 'SmartOffice' and the title bar text is 'Advisor Check Detail'.

Advisor Statement Summary										
<input type="checkbox"/>	Carrier Name	Policy #	Primary Advisor	Compact Name	Premium Paid	Net % of Premium	Percent of	Percent (%)	Receivable	Commi Type
<u>Carrier Name - ABC Life</u>										
<input type="checkbox"/>	ABC Life	L1234	Philip Anderson	J. Buy	1,000.00	10.0000	Premium	65.0000	100.0000	Base
Subtotal:									100.0000	
Carrier Name - ABC Life (1)										
<u>Carrier Name - Colony Life</u>										
<input type="checkbox"/>	Colony Life	A20392	Philip Anderson	J. Anderson	500,000.00	20.0000	Base Commissi	50.0000	100,000.0000	Base
Subtotal:									100,000.0000	

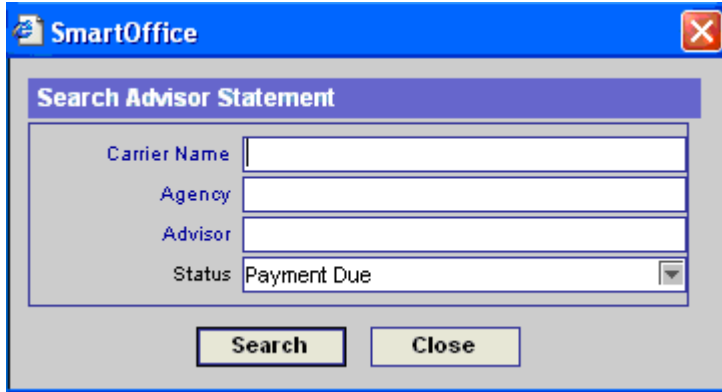
Records Shown: 2 Total Records: 2

Advisor Statements

Advisor Statements are used to view and print commission transactions at any time. This feature is used to re-print statements. To print statements for the first time, use the batch processing feature.

To access Advisor Statements:

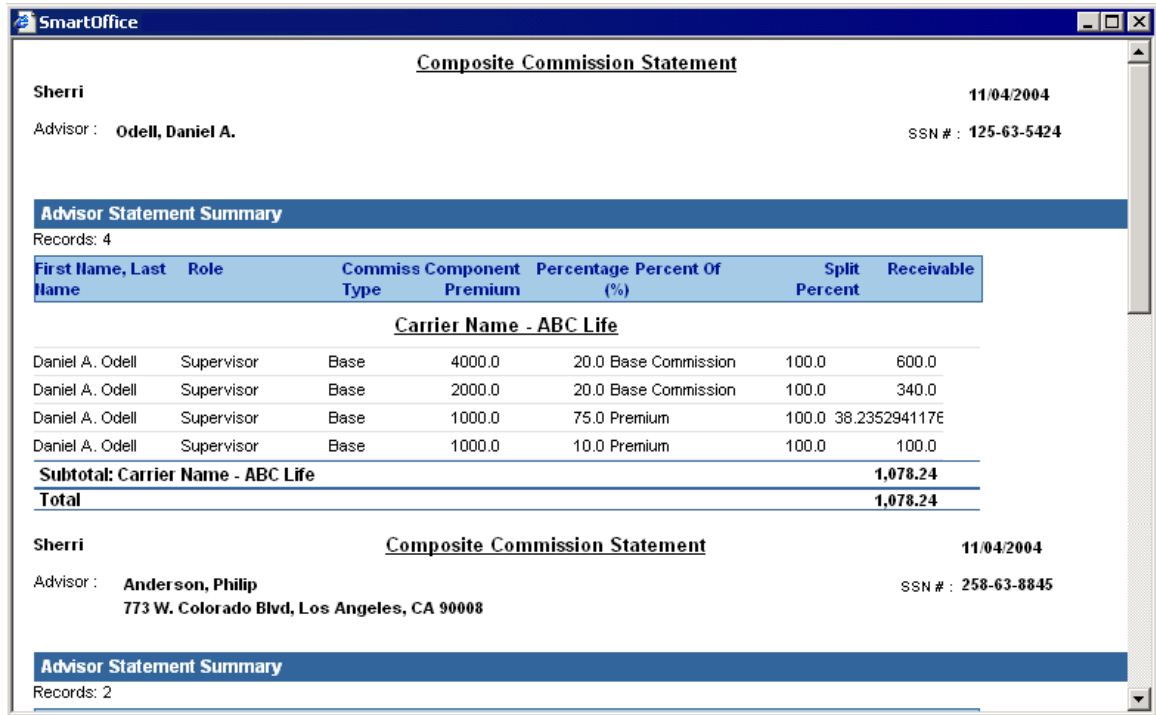
1. Select **Advisor Statement** from the **CTM** expanded menu to display the Search Advisor Statement dialog box.
2. Note that the Status defaults to Payment Due. Click the **Search** button to display the Advisor Statement Summary.



Definitions:

- **Carrier Name:** Enter all or a portion of the carrier name or click the **Carrier Name** hyperlink for a list of all available carriers.
 - **Advisor:** Enter all or a portion of the advisor name or click the **Advisor** hyperlink to search for an advisor.
 - **ARA (House Account):** Permits only those transactions linked to a specific house account to be displayed.
 - **Status:** Contains the following values:
 - All
 - Assumed Paid
 - Closed
 - On Hold
 - On Hold due to Appointment
 - On Hold due to Contract
 - On Hold due to Licensing
 - Open
 - Paid
 - Payment Due
 - Reconciled
 - Suspense
 - Write Off
3. A view of all commission records with the status specified during the search dialog is displayed.

- At any time, transactions can be moved to the history file and taken out of the main transaction list. Select the **Generate Advisor Commission Report** option to generate a PDF file based on the spreadsheet that was open while viewing the statement information. If you do not like the format of the PDF file, return to the Advisor Statement Summary, make column changes, and then reselect the **Generate Advisor Commission Report** option.

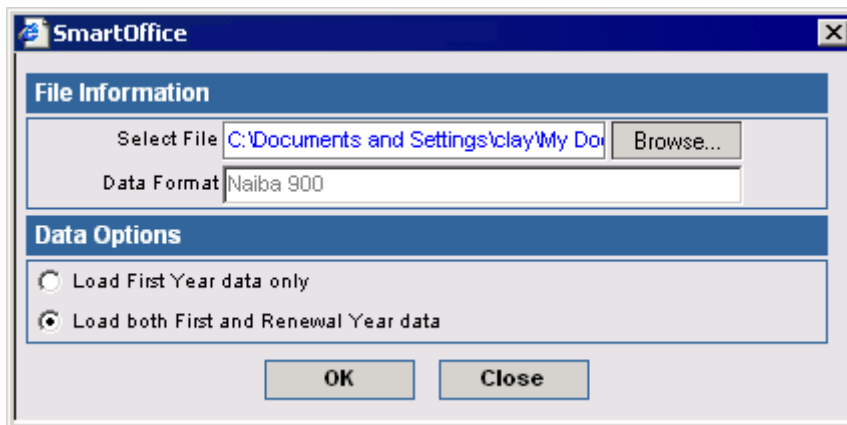


Carrier Interface

The Carrier supplies commission data in the NAILBA 900 and ACORD formats. Utilizing the Carrier Interface feature, this data can be imported into SmartOffice for reporting or processing commission information.

To access the Carrier Interface feature:

- Select **Carrier Interface** from the menu to open the Carrier Interface Summary.
- Click the **Add** button to display the File Information dialog box.
- Enter the File Information and Data Options and then click the **OK** button.



- The Carrier Interface Summary displays; post or report on the data as applicable.

SmartCommission - Carrier Interface Summary + [Icons]

Carrier Code	Agency Code	Split Code	Statement Date	File Name
ABC	9889 BESTBRO	K	12/24/2002	sampleabc.txt

Once the data has been imported into the SmartOffice database, the transactions will be moved into several different locations.

- Directly into Speed Receipt Entry: by using the option on the SmartCommission - Carrier Interface Summary, data can be moved directly from the ACORD or NAILBA 900 file into the speed receipt entry feature. Once in speed receipt entry, all of the validation logic can be applied.

When this option is selected, the system will prompt the user to create a speed receipt entry check.

The user must enter the Payor Name, Check #, and Check Amount. When the OK button is selected, all of the Agency transactions will be copied from the incoming ACORD or NAILBA 900 file into the Speed Receipt Entry process to begin the validation process.

Only key values will be sent into speed receipt entry. The key fields include: Policy #, Due Date, Premium Amount, and Commission Received.

Once this process is complete, all other processes will be completed through the Speed Receipt Entry application.

In order for data to be viewable from within the Advisor or Policy areas, the data must match with a policy found in SmartOffice. The following options are available if the Detail tab of the Summary is selected. Data can be modified and revalidated to display within the application properly.

- Matched:** Matched transactions are when the policy number of the incoming NAILBA or ACORD record is found within SmartOffice; however, a matching expected commission record was not found for the specified due date.
- Unmatched:** Transactions are marked as unmatched when a policy number from the incoming file is not found in the SmartOffice policy database. The user is required to correct the error or add a policy and manually link the two transactions together.

- **Linked and Verified:** Linked and verified transactions are when the policy numbers were matched and a matching expected commission record was found. In addition to the linking process being completed, the expected commission amount of SmartOffice is within a variance amount defined in the CTM Setup and is marked as being a reconciled transaction when moved into a Carrier Posting.
- **Linked with Errors:** Linked with Error transactions are when the policy numbers were matched and a matching expected commission record was found; however, the transaction is in error due to the amount expected in SmartOffice being not within the variance identified in the CTM Setup; therefore, an error condition exists.

Manually Link a Policy Including the Expected Commission Record

If the system was unable to automatically link a given policy to a policy and expected record within SmartOffice, the user will be required to link it manually.

1. From the Unmatched tab, click the first column hyperlink of the transaction to process manually.
2. A dialog box opens that is used to place a Policy # in the system to match a policy found within SmartOffice.
3. Click the **Policy** hyperlink and then search for and select the policy number to match.
4. Once a Policy # has been selected, the system will prompt to select an expected commission record to match the incoming actual record from the carrier.
5. Once the transaction has been selected, the transaction will be reviewed and determined if it is Linked & Verified or Linked with Errors.

Create a Carrier Posting from Imported Data

The transactions within one the Carrier Interface can be moved into an actual Carrier Posting to begin the payment process. This feature would be used in place of the process of moving the information into speed receipt entry. There are two different types of transactions that can be moved, Adjusting Entries or Actual Policy Entries. Adjusting entries enable the user to link imported data to a given policy within SmartOffice. The adjusting entries will not allow any advisor transactions to be generated. Actual policy entries can be moved into a carrier posting and because they are linked to both a policy and an expected commission transaction, can be used to generate payments to other advisors.

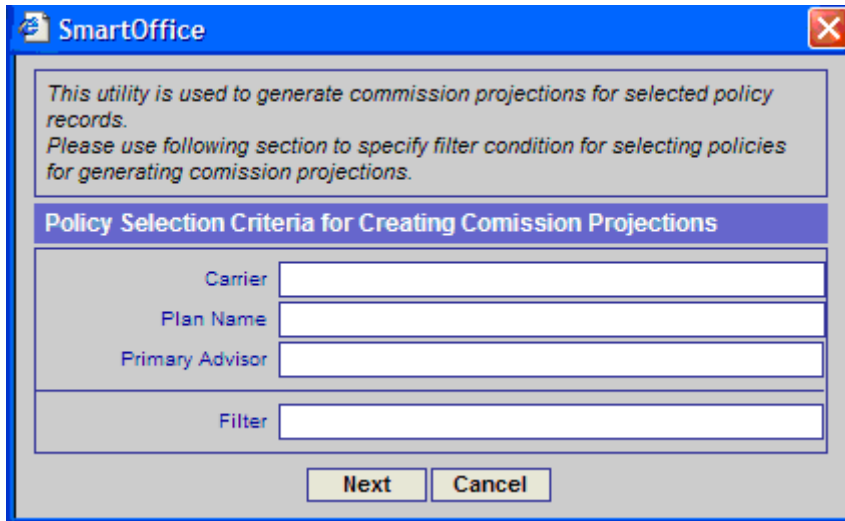
Mass Projection – Commissions

The Mass Projection – Commission utility is used to mass project commissions for all policies and pending case records that are contained within SmartOffice. Prior to running this utility the following items must be completed:

- House account is established with valid contracts including a valid effective date and line-of-business
- Rates are established for the house account
- All supervisors have been established with valid contracts including a valid effective date and line-of-business
- Rates for the supervisors have been established
- All advisors are established with valid contracts including a valid effective date and line-of-business
- Policies and pending cases are established with valid: Policy Effective Date, Commissionable Modal Premium, Mode, and Advisors with the appropriate interest identified.

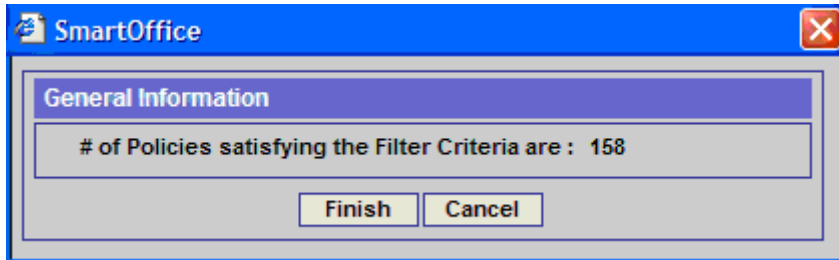
Workflow of the Mass Projection Utility

1. A filter will be identified by the user, either using the fields shown for Carrier, Plan Name, and Primary Advisor, or a filter identified by the user. If a filter is used, the system will ignore the values placed in the carrier, plan, and primary advisor fields.



The dialog box is titled "SmartOffice" and contains the following text: "This utility is used to generate commission projections for selected policy records. Please use following section to specify filter condition for selecting policies for generating commission projections." Below this text is a section titled "Policy Selection Criteria for Creating Commission Projections" with four input fields: "Carrier", "Plan Name", "Primary Advisor", and "Filter". At the bottom of the dialog are "Next" and "Cancel" buttons.

2. All policies that match the filter criteria will be counted and the count will be displayed.



The dialog box is titled "SmartOffice" and contains the following text: "General Information" and "# of Policies satisfying the Filter Criteria are : 158". At the bottom of the dialog are "Finish" and "Cancel" buttons.

3. Click the **Finish** button to attempt to project commissions for all policies that match the filter criteria.
4. When the Mass Projection utility is completed, a dialog box will display to show the number of policies successfully and unsuccessfully projected.
5. To review the errors of the unsuccessful projections, select **Error Log** from the expanded **CTM** menu.

Sample Filters using the filter hyperlink

1. All pending cases that do not have commission projections.

SmartOffice

New Filter

Filter Name: All Pending Cases Without Pr

Description: ABC ✓

Filter Items:

- has no [Comission Projections]
- and Stage Equal to "Underwriting_All"

Buttons: OK, Show SQL, Cancel

2. All inforce cases without projections for a specific carrier.

SmartOffice

New Filter

Filter Name: Inforce Cases No Projections

Description: ABC ✓

Filter Items:

- has no [Commission Reconciliation]
- and Stage Equal to "Active"
- and Carrier Name Starts With "ABC"

Buttons: OK, Show SQL, Cancel

Suspense Items

The suspense items feature allows any transaction to be displayed that is in a Suspense status regardless of carrier posting. It is a consolidated view of all of the suspense items.

Suspense Commissions Summary

<input type="checkbox"/>	Expected Due Date	Commission Type	Premium Paid	Componen Premium	Excess Premium	Percent (%)	Percent Of	Net Expected Amount	Direct Amount	Status	Actual Amount Paid	Differen
Policy # - 04300400												
<input type="checkbox"/>	02/15/2006	Base	500.00	500.00		100.0000	Premium	150.0000	350.0000	Suspense		150.0000
<input type="checkbox"/>	03/15/2006	Base	500.00	500.00		100.0000	Premium	150.0000	350.0000	Suspense		150.0000
Subtotal: Policy # - 04300400 (2)												

From this panel, transactions have already been posted to a check through the carrier posting and the user can make the determination if the records should be written off, create a balance due for the difference, or modify the advisor payments based on the amount received from the carrier.

Commission Utilities

Change Supervisor

The Change Supervisor utility is used when a supervisor has left the current hierarchy.

1. Select **Setup** from the **CTM** expanded menu to open the CTM Setup dialog box.
2. Select **Change Supervisor** to display the Select Supervisor to Change dialog box.
3. Specify the Supervisor Name, click the **Supervisor Hierarchy** button to select the contract that will be changed, and then click the **Next** button.
4. Select the new Supervisor and the new contract that will be reassigned to all advisors that hold the contract identified in Step 3. A button is available to identify if the changes should be applied to new policies only or existing policies as well. Select the appropriate parameters and then click the **Next** button.
5. All advisors that have the supervisor listed in Step 3 are displayed. The user can select the advisors to change, or click the **Tag All** button to change all of the appropriate advisors. Click the **Next** button.
6. An “Advisor Contracts have been modified. Proceed to Validation” message will display. Click the **OK** button.
7. A list of advisors that must be validated are displayed. Click the **Validate Modified Advisor Contracts** button. The list of advisors will refresh, removing those records that have been validated. All policies associated with these advisors will also be updated with the new hierarchy.

Validate Modified Advisor Contract

This feature is to be used when the supervisor change has been executed but not all of the advisors have been changed to the new supervisor. The advisor must be changed on the Contract tab along with all associated polices.

1. Select **Setup** from the **CTM** expanded menu to open the CTM Setup dialog box.
2. Select **Validate Advisor Contracts** to display the Validate Modified Advisor Contracts list.
3. Tag a record or group of records and then click the **Validate Modified Advisor Contracts** button.

Policy List for Revalidation

The re-projection of commission data can be a very time consuming task. Any time a rate change is completed or the banding changes for a rate, all the policies linked to this rate have to be re-projected. The Policy List for Revalidation feature has been developed to allow changes to the appropriate rate and the cases logged for revalidation at a later date. This feature is also used when the change supervisor utility is used.

1. Select **Setup** from the **CTM** expanded menu to open the CTM Setup dialog box.
2. Select **Validate Policies** to display the Invalid Policy Log Summary.
3. Select a policy or group of policies and then click the **Recalculate Commission on Rate Change** button.

Error Log

The Error Log menu option is used by the administrator to view all commission errors generated within the system. Errors are logged at the policy level and are consolidated within the Error Log. To view and correct any errors that may have occurred with a given policy during commission projections:

1. Select **Error Log** from the **CTM** expanded menu to open the Search CTM Error Log dialog box.
2. Click **Search** to display the Commission Error Log Summary.

Error Message	Suggestion	Error Log ID	Holding ID	Module Name	Time Stamp	Severity	Policy #
<input type="checkbox"/> Commission Hierarchy not found	The commission hierarchy is not defined for the case. Go to the case detail and build the hierarchy for the Advisors working on the case.	949	1419	CommCalculation	11/04/2004 11:20AM	Critical	AK20392

Previous Page 1 Next Page Total: 51+ (Click here to list all)

Common Errors

- **Commission record already exists for specified date range:** Someone attempted to re-project commission records for a given date range. The user must go into the list of commission records and delete any projections that exist for the period being projected. The user must then Project Commissions for the PCM to regenerate the commission records manually.
- **No commission rate attached to the case:** This error could be generated when a contract is not established properly or the rates for the contract have not been defined. It is critical to look at the effective/expiration date of a contract as well as the lines of business. For the rates, it is critical to view the effective/expiration date as well as all of the banding parameters that could make a rate unique. Once rates are established for this carrier + product + contract return to the case and run the Project Commissions for PCM option.
- **Policy Advisor Record not found:** This error indicates that the writing advisor was not properly assigned to this case.
- **Commission hierarchy not found:** This error indicates that someone in the hierarchy chain is not pointing to an appropriate supervisor/contract combination. Each person in the hierarchy must chain together until a House account is identified at the top of the hierarchy.
- **Modal Premium not specified for the case:** This error indicates that a commissionable modal premium is not being used for the productions. To fix this issue, click the **Modal Premium** hyperlink and verify that there is a premium number in the base commission.
- **Commission Rate Banding not found:** This error indicates that there is banding criteria such as date, age, face amount, or state that is not found for this specific case. Return to the Commission Rate Entry function (found under PCM/Policy setup) and correct the rate errors.
- **Rider Rate for House not defined:** This error is in relation to the rider portion of this case. Each rider has a unique product identified for it so specific rates can be identified. View the rider plan and then verify in the Commission Rate Entry that rates are identified for the House and Advisor contracts.

Reports

All of the commission data within SmartOffice can be accessed through Dynamic Reports. There are several categories for dynamic reporting including:

- CTM – Advisor Commission Report: The actual expected and actual received commission records for an advisor.
- CTM – Advisor Contract Report: Allows reporting on the advisor contract information and the relationships to supervisor contracts.
- CTM – Agency Commission Report: The actual expected and actual received commission records for the agency.
- CTM – All Commission Rates: Allows reporting on the entered commission rates for auditing purposes.
- CTM – Commission Split Report: Will show the advanced commission split information assigned to policy records.
- CTM: Commission Upload Report: The information sent by the insurance carrier from the ACORD XML data feed can be reported on using this category.
- CTM – Projected Agency Commission Report: Report against the Agency projection records, those transactions attached to cases while they are still in a pending status (not active yet).
- CTM – Projected Advisor Commission Report: Similar to agency projections, it is the projected advisor payouts of cases that are still in a pending status.
- CTM – Speed Receipt Entry Report: This report will enable you to track entries from Speed Receipt entry all the way through to the actual posting of the transactions through batch processing.

The projected categories, Agency and Advisor, are used to write projected commission reports against policies that are not yet active. The status of the given case must be used when writing reports using this category. Transactions are not removed from this table, so policies that were pending and have moved to an active status are still contained within this set of tables.

Advisor Options

Commission Tab

The Commission tab is used for ad-hoc reporting against a single advisor's commission date. Utilize the filter fields displayed at the top of the screen; or, utilize the Filter button for additional flexibility.

Report from the Commission Tab

In addition to the commission transactions displayed on this tab, click the **Show History** button to display historical transactions.

From an open Advisor record, click the **Commission** tab to display all commission transactions for the selected advisor.

Advisor - Philip Anderson

Summary Personal Additional Key Relations License/E & O (X) Cgnt./Appt. Production (Z) Commission Smart Checks (J) >>

Advisor Statement Summary Type: All Paid By: All Status: All

First Name, Last Name	Role	Commiss Type	Component Premium	Percentage (%)	Percent Of	Split Percent	Receivable
<u>Carrier Name - ABC Life</u>							
<input type="checkbox"/> Philip Anderson	Advisor	Base	450.00	70.00	Premium	100.00	86.10
<input type="checkbox"/> Philip Anderson	Advisor	Base	450.00	70.00	Premium	100.00	228.90
<input type="checkbox"/> Philip Anderson	Advisor	Base	4,000.00	70.00	Base Commission	100.00	2,380.00
<input type="checkbox"/> Philip Anderson	Advisor	Base	4,000.00	70.00	Base Commission	100.00	2,100.00
<input type="checkbox"/> Philip Anderson	Advisor	Base	800.00	70.00	Premium	100.00	560.00
Previous Page		1	Next Page		Total: 51+ (Click here to list all)		

- The Type field is used for filtering based on premium type. To display totals of Base Commission, select the **Base** option.
- The Paid By field is used to select transactions paid by the Carrier versus the House.
- The Status field is used to separate transactions from Paid items. Select the Not Open option to pull any transaction that has passed through the commission system regardless of Write Off, Reconciled, or Paid status.

When utilizing the filter option, remember after executing a filter to click the **Unfilter Records** button so a new filter can be established. If this is not performed, the system will continue to filter on the set of data established after each filter is applied.

Popular fields to filter:

- Due Date: To display all transactions that will come due in the next 3 months, 6 months, year, etc.
- Policy #: To display only those transactions for a given policy.
- Date Paid: To display transactions paid within a specific period.

Utilize the Customize Spreadsheet option to change the sorting of the spreadsheet, corresponding sub-totals, and totals defined.

Log an Adjusting Entry to an Advisor from the Commission Tab

When an advisor was over or under paid, an adjusting entry is required to adjust the account.

1. From an open Advisor record, click the **Commission** tab to display all commission transactions for the selected advisor.
2. Click the **Add** button to display the Advisor Statement Detail dialog box.

SmartOffice

Advisor Statement Detail

General Information

Advisor on Contract **Philip Anderson**

Record Type Adjustment

Role Advisor

Hierarchy Level

Payable Due Date 11/05/2004

Paid-to/Next Due Date

Payment Information

Split Percentage

Percentage(%)

Percent Of

Expected Payable Amount 500.00

Direct Amount

Deferred Amount

Paid Amount

Difference 500.00

Status Payment Due

Commission Paid By House

Save as an adjustment entry

Remarks ABC ✓

Paid the commission check to the wrong person.
This is an adjusting entry for several policies.

OK Cancel

3. Enter the Payment Due Date, the Expected Payable Amount, and Commission Paid By information. If from the House account, the adjusting entries will pass into the commission system.
4. There is an option that identifies this entry as an adjusting entry. If selected, a policy will not be required. If you want to log this adjusting entry to a specific Policy # then leave the check box blank and an additional dialog box will open so a Policy # can be selected.
5. Click the **OK** button.

Smart Checks

Use the Smart Checks tab to display information about the commission checks generated for this advisor. This tab displays all commission checks that were initiated through SmartOffice.

Advisor Commission Check Summary

⏪ ⏩ 📄 📊 📑 📧 📧 📧 >>

Summary	Personal	Additional	Key Relations	License/E & O (X)	Cmnt./Appt.	Production (Z)	Commission	Smart Checks (J)	>>
Advisor Check Summary									
<input type="checkbox"/>	Philip Anderson							100,194.12	07/01/2004
Records Shown: 1 Total Records: 1									

To view Smart Check details:

1. From an open Advisor record, select the **Smart Checks** tab.
2. Click the appropriate first column hyperlink to display the Smart Check details.

Glossary

1035 Exchange	Certain types of insurance policies that meet the requirements of section 1035 of the Internal Revenue Code may be exchanged without incurring tax liability. A policy exchange that meets these requirements is commonly referred to as a “1035 Exchange.”
Advisor Payout	The commission schedule record that establishes the percentage(s) used to calculate an advisor’s commission. These calculations may be in points or percentages.
Annualized	A method for calculating a single commission payment based on the amount of premium that covers a twelve-month period, regardless of payment mode.
Annualized First Year Only	Same as <i>Annualized</i> , but for the first year only.
As Paid	A method of paying commissions as the vendor receives payments from the policyholder.
Base Points	The percentage paid on the base commission. The base is calculated by subtracting any fees, the target amount, and any conversion amounts from the total premium paid.
Commission Amount	Used to specify a flat rate commission paid by the vendor for a product, regardless of the premium paid.
Commission Schedule	A record that establishes the amount and mode of commission paid for each category of premium.
Dump In Points	The percentage paid as commission on a lump sum amount that is paid in addition to the premium. (The lump sum adds immediate cash value to Whole and Variable Life Products.)
Excess Points	The percentage paid as commission on excess premium, as determined by subtracting the fee, target, and conversion amounts from the total premium paid. (Excess premium can only be calculated if there is a target premium.)
Fee Points	The percentage paid as commission on the policy fee.
Flat Extra Points	The percentage paid as commission on extra premium charged by a vendor for non-standard rated policies.
Level 1 – Level 5	Expense Reimbursement Account (ERA) commission levels. Used in states where laws have been passed that place a cap on the amount of base commission that can be paid. ERA commission is typically in addition to the base commission.
Lump Sum	See <i>Dump In Points</i>
Modal Premium	The total premium to be paid for a policy after modal factor calculations.

Paid Mode	The frequency of payment (e.g., Annual, Monthly, Quarterly).
Posting	A record of expected commissions, amounts received, and payments to agents.
Target Premium	The amount of premium set by the vendor as a goal for agents to achieve when selling a particular product.
Tolerance	The monetary amount that an AGENCY is willing to write off (absorb the loss) if a commission payment from a vendor is less than expected.