



White Paper

FINEOS Plan Manager

Overview

A key part of most FINEOS Claims implementations is the integration to the Policy Administration System (PAS). Private insurers often offer a minimum of 10 – 20 different products which vary in levels of complexity from the basic term life product to the more complex disability income protection type policies. This key part of the implementation is often further complicated by the number of mergers and acquisitions the insurer has been part of and the complications that inherently brings to the integration activity.

More recent experience however has proven that this is not the only use case in the market place for those insurers whose main line of business is to underwrite much more simple and uniform products. The most common example of this is the Group Life and Disability Business. In this instance the products that are offered are taken up by in some cases many thousands of members of the scheme. The main attributes of the product do not differ from member to member but may vary from year to year. The Insurance Company in the majority of cases will never have heard of a significant number of their insured parties.

Take for example one of the large Australian Super Funds. The larger funds would typically have more than 2 million members. Each member is automatically approved for set levels of cover for Death, Total and Permanent Disablement (TPD) and Income Protection insurance. The conditions of cover are uniform across all the members unless you opt out or apply for additional cover. The typical scheme would offer something along the lines of the following:-

- Death – from 15 to 70 years of age
- TPD – from 15 to 65 years of age.

The insurance is based on your age and the type of work you do. You can get cover as a fixed amount, but the cost increases as you age. Or you can have a fixed cost and the cover reduces as you age.

Income Protection cover is provided in units. In the event of temporary disability, each unit of Income Protection cover provides a benefit of \$500 a month (before-tax), and is payable for up to two years.

Cover is available up to age 70.

These are relatively simple products and a full policy administration is not required to maintain them. From a member point of view the key time for the policy terms to apply is on the date of the claim. It is then that it is crucial that the terms and conditions are part of the claim process.

It is this desire for a policy management capability that is also part of the claims management system that has led to the development of FINEOS Plan Manager.

The development of a FINEOS Plan Manager is a logical extension of the FINEOS Insurance Platform which bundles FINEOS Claims, FINEOS Payments, FINEOS Provider Management, FINEOS Analytics, FINEOS Process and Workflow Engine, FINEOS Rules, FINEOS Customer Manager, FINEOS Document Manager into one end to end claims management system. This enables FINEOS

to be implemented as a stand-alone system without the need for integration to multiple policy administration systems.

Plan Manager – Benefits

Managing policies in the same system as claims provides many benefits:



Costly interfaces between the claims system and the policy administration system are no longer required



Leveraging FINEOS Payments Manager, Plan Manager provides a comprehensive set of features that can be used to control the types of payments and adjustments that are allowed for claim payments



As the policy details are maintained within FINEOS, the correct policy can easily be linked during claim intake



The existing FINEOS CRM features support better service to policyholders by providing a single view of all customer interactions, regardless of the channel



Simplification of the IT landscape, with two traditionally separate systems consolidated into one system

Plan Manager is used by numerous FINEOS customers, in all regions that FINEOS has a presence.

Plan Manager – Features

Creating & Maintaining Policies

Plan Manager now makes policies available as top-level searchable items, via a variety of search criteria.

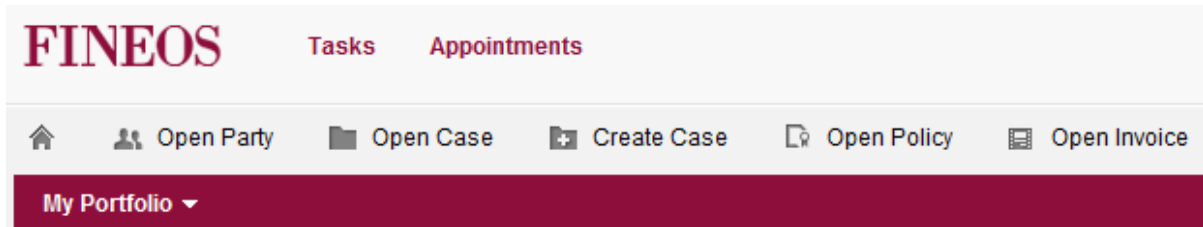


Figure 1: Search bar with new top-level policy search icon

From the search page, users can search for existing policies, or create new policies.

Once a policy is created/opened, the main policy page allows users to link parties, e.g. as policyholders, beneficiaries etc. The main page also allows for points of contact to be specified for a policy. This is especially useful in group scenarios, when the policyholder is a large organisation, with different departments handling different aspects of the policy/claim, e.g. HR, Finance etc.

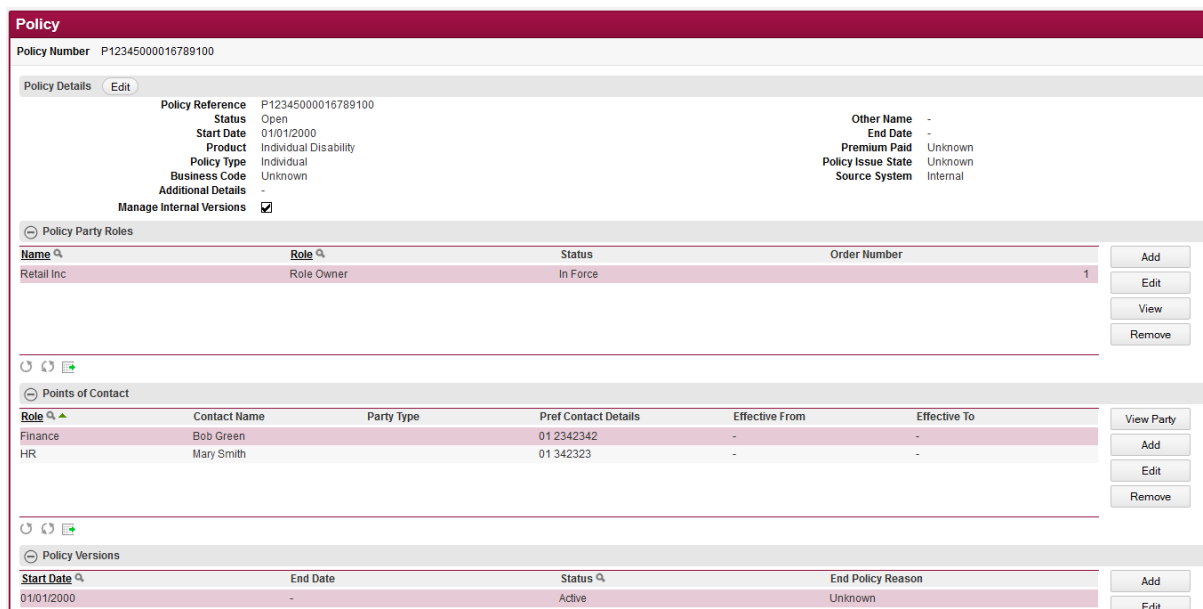
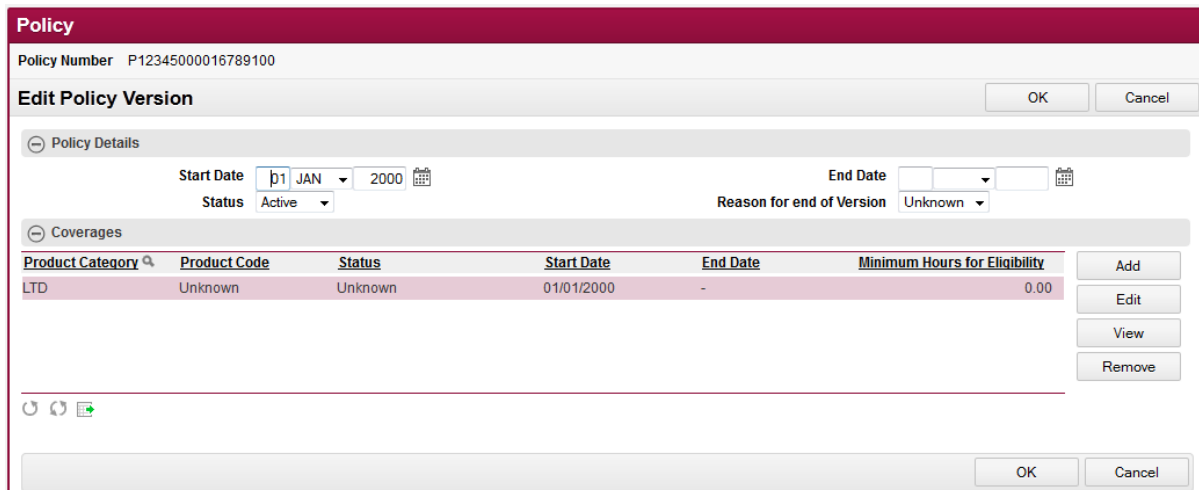


Figure 2: Main policy details page

Policy Versions

FINEOS Plan manager can be used for policies where all aspects of the policy are managed by FINEOS, or just when a stub reference is required. In scenarios where all aspects of the policy are to be maintained within FINEOS, policy versions can then be created.

A policy can have as many policy versions as needed. In a group policy scenario, the policy may have a different version for each year the policy is in force. Another scenario is where the policy is based on legislation, with each policy version representing a different version of the legislation.



Policy
Policy Number P12345000016789100

Edit Policy Version [OK] [Cancel]

Policy Details

Start Date: 01 JAN 2000 [Calendar Icon]
Status: Active
End Date: [Calendar Icon]
Reason for end of Version: Unknown

Coverages

Product Category	Product Code	Status	Start Date	End Date	Minimum Hours for Eligibility
LTD	Unknown	Unknown	01/01/2000	-	0.00

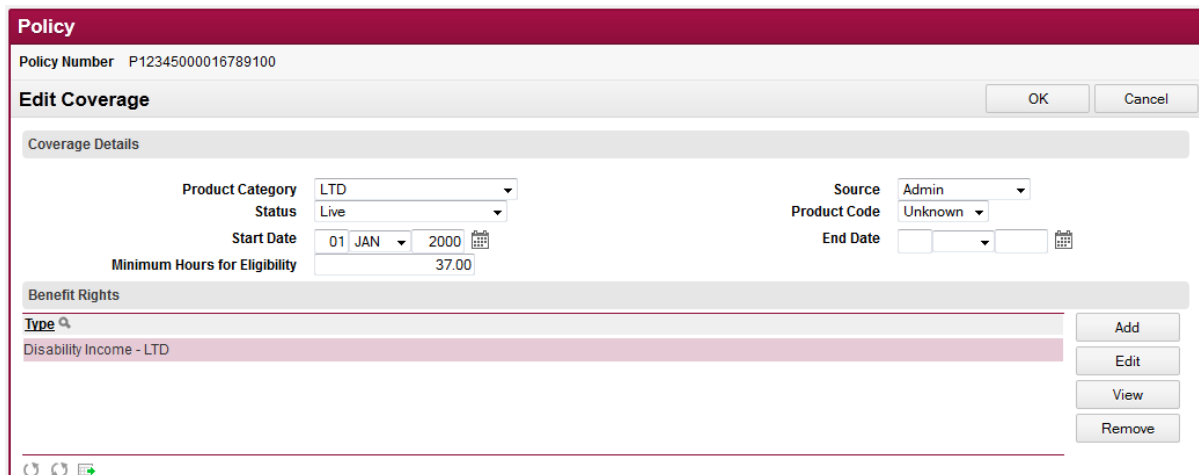
[Add] [Edit] [View] [Remove]

[OK] [Cancel]

Figure 3: Policy version details

Coverages & Benefit Rights

Plan Manager allows for multiple coverages to be linked to a policy version. Further, multiple benefit right types can be linked to each coverage. This hierarchy of policy/coverage/benefit right allows the user to define both the high level and low level details of the policy and the types of cover allowed under that policy.



Policy
Policy Number P12345000016789100

Edit Coverage [OK] [Cancel]

Coverage Details

Product Category: LTD
Status: Live
Start Date: 01 JAN 2000 [Calendar Icon]
Minimum Hours for Eligibility: 37.00
Source: Admin
Product Code: Unknown
End Date: [Calendar Icon]

Benefit Rights

Type
Disability Income - LTD

[Add] [Edit] [View] [Remove]

[OK] [Cancel]

Figure 4: Coverages and benefit rights

Benefit Rights & Payment Configuration

Each benefit right type leverages the power of FINEOS Payments Manager to define how that benefit should be paid. The benefit right determines whether the payments that are made are lump sum, scheduled (e.g. weekly/monthly compensation) or service based.

The benefit right also determines how various dates and amounts are derived, such as benefit start dates, waiting periods and benefit amounts.

In addition, a fine-grained level of control over the types of adjustments that can be applied to a payment is possible via the adjustment configuration. All adjustment types can be made available for claims users to select, or just a subset. FINEOS categorises the available adjustments into three categories:



Benefit amount adjustment types, which are adjustments applied to the gross benefit amount



Balanced payee adjustment types, which are adjustments to scheduled payments such as tax, or deductions for childcare agencies



Payee adjustment types, where a portion of the net benefit amount is redistributed to another payee

The Payment Adjustment Types tab shows how this page is presented to the user:

Add Regular Payment Benefit Right

General Eligibility Conditions Calculation Parameters Return to Work Reinsurance **Payment Adjustment Types**

Payment Adjustment Types

Allow All Adjustment Types Select Allowable Adjustment Types

Benefit Amount Adjustment Types

Name	Category	To Calculate
<input type="checkbox"/> Salary Continuance	Flat Adjustment	Business Net Benefit Amount
<input checked="" type="checkbox"/> Samp13 Core Net Benefit Amount	Flat Adjustment	Business Net Benefit Amount
<input checked="" type="checkbox"/> Samp14 Percentage of Core Net Benefit Compound	Percentage Adjustment	Business Net Benefit Amount
<input type="checkbox"/> Samp16 Percentage of Core Net Benefit Simple	Percentage Adjustment	Business Net Benefit Amount
<input checked="" type="checkbox"/> Samp18 Net Benefit Amount post COLA seq	Flat Adjustment	Business Net Benefit Amount
<input type="checkbox"/> Samp19 Percentage of Net Benefit Compound	Percentage Adjustment	Business Net Benefit Amount

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Balanced Payee Adjustment Types

Name	Category	To Calculate
<input checked="" type="checkbox"/> Child Support	Flat Adjustment	Balancing Amount
<input checked="" type="checkbox"/> Employer 1	Flat Adjustment	Balancing Amount
<input checked="" type="checkbox"/> Garnishment	Flat Adjustment	Balancing Amount
<input checked="" type="checkbox"/> General Post Tax Deduction	Flat Adjustment	Balancing Amount
<input type="checkbox"/> General Pre Tax Deduction	Flat Adjustment	Balancing Amount
<input type="checkbox"/> Post Tax Dependent Dental Premium	Flat Adjustment	Balancing Amount
<input type="checkbox"/> Post Tax Dependent Life Ins Premium	Flat Adjustment	Balancing Amount

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Payee Adjustment Types

Name	Category	To Calculate
<input checked="" type="checkbox"/> Federal Income Tax Withholding	Flat Adjustment	Net Payment Amount
<input checked="" type="checkbox"/> Federal Tax Withholding	Flat Adjustment	Net Payment Amount
<input checked="" type="checkbox"/> Funeral Expense	Flat Adjustment	Net Payment Amount
<input checked="" type="checkbox"/> Guardianship	Flat Adjustment	Net Payment Amount
<input checked="" type="checkbox"/> Interest	Flat Adjustment	Net Payment Amount
<input type="checkbox"/> JOC Parental Support %	Percentage Adjustment	Net Payment Amount
<input type="checkbox"/> Local withholding	Flat Adjustment	Net Payment Amount

Figure 5: Adjustments for a benefit right type

Divisions & Classes

Plan Manager supports the policy structures of Division and Class that are common to group policies. For any policy that is managed within FINEOS, regional/geographic structures can be set up to mirror

the high level organisation structure of the policyholder. A typical example of this is where a large employer has sub-units such as ‘Eastern Division’, ‘Western Division’ etc. It is also possible to add points of contact to a division.

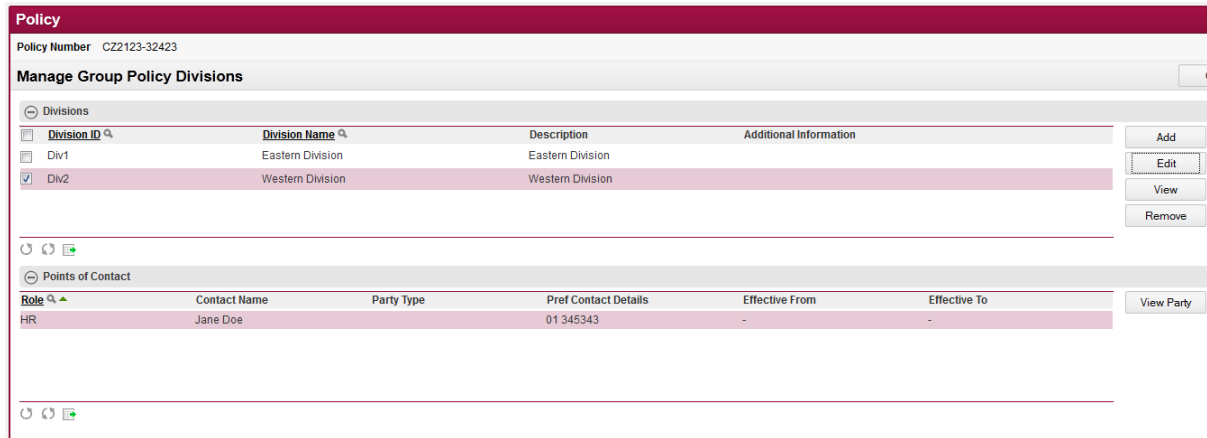


Figure 6: Policy divisions

Classes are used to represent the differing levels of cover that is possible within that group policy, such as ‘General Plan’, ‘Management Plan’, ‘Executive Level Plan’ etc.

Once the divisions and classes are set up for a group policy, they can then be linked to the coverages within a policy version. Typically, multiple combinations of divisions/classes are linked to each coverage.

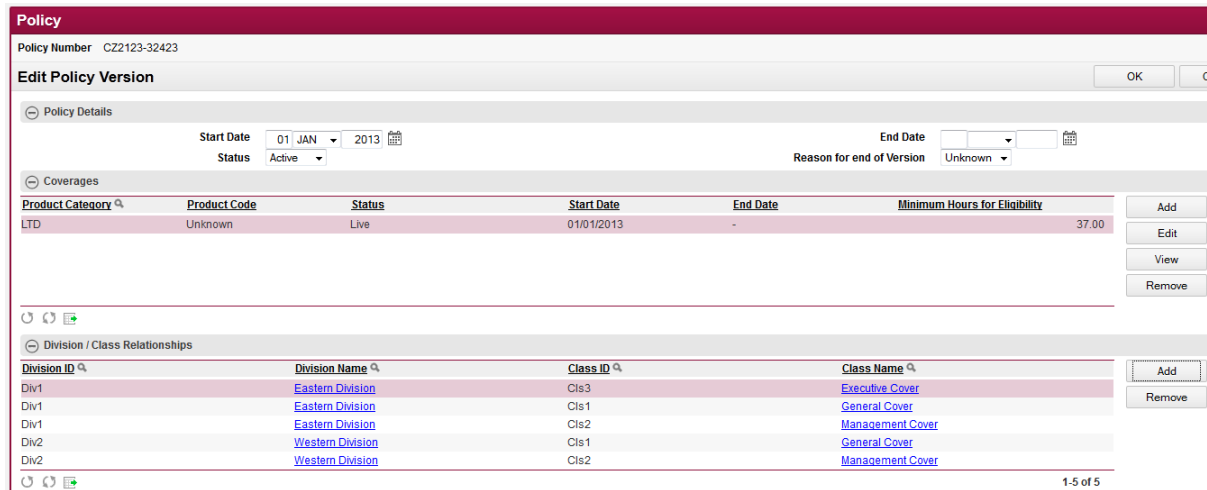


Figure 7: Divisions/Classes for a policy version

The Coverage Enquiry Screen provides a quick view of all coverages available for the selected division/class combination. This is especially useful when assessing eligibility.

Linking a Policy to a Claim

There are two aspects to linking a policy to a claim:



Selecting the correct policy during claim intake



Linking the policy data 'as at incident date' to the claim

Plan Manager provides components that can be easily incorporated into the claim intake, allowing for efficient selection of the relevant policy, and where appropriate, division and class.

Once a policy selected, Plan Manager calls the existing Coverages Manager feature to auto-populate the relevant policy, coverage and benefit right data within the claim. This feature ensures that the data is sourced from the correct version of the policy, i.e. the version of the policy relevant at the date and time when the incident occurred.

For group claims, there is also a facility to capture the claimant's group policy membership number within the claim.