

INSURANCE PRODUCT PROFITABILITY



A WEB-BASED
PERFORMANCE
MANAGEMENT
APPLICATION

INTRODUCTION

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

Yet all is not well in the insurance industry. Many insurers feel that they should exit risky business lines or geographies to ensure continued profitability. Risk management experts predict that the spate of natural disasters may continue for the foreseeable future. If such is the case, large insurance companies may not escape financial ruin so easily. To maintain profitability in the face of escalating risks, insurance companies must be nimble enough to change course in an instant—shifting emphasis from one product to another, one region to another, one business line to another.

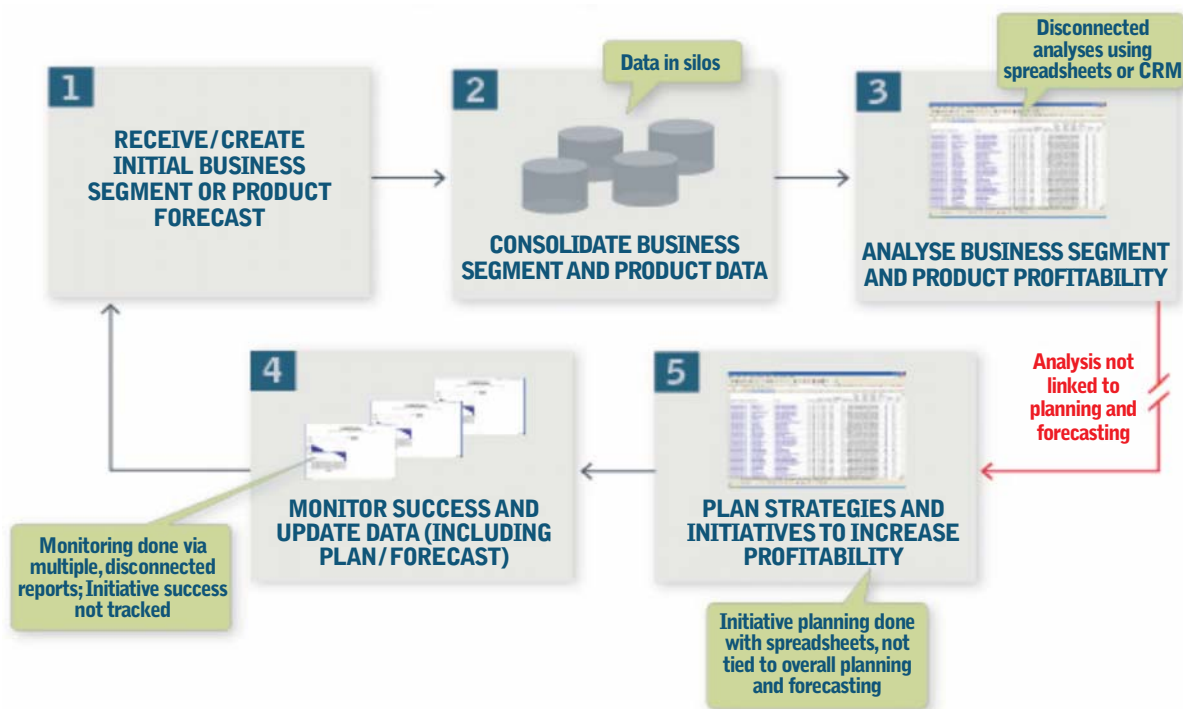
The problem is that most insurers are unable to change course very quickly.

The breakdown occurs in two primary areas. First, insurers have struggled to get the right data to make decisions in a timely manner. Too often, insurance executives do not trust the data they are given; data is not presented in a user-friendly way; or data is not structured to answer key business questions. Second, insurers are rarely able to accurately forecast multiple business scenarios to determine the most profitable course of action.

Strategic planning and forecasting is typically an annual event, often based on prior year results (plus some percentage growth) rather than on business drivers, and is typically done in isolation by product line or business segment—without considering overall impact.

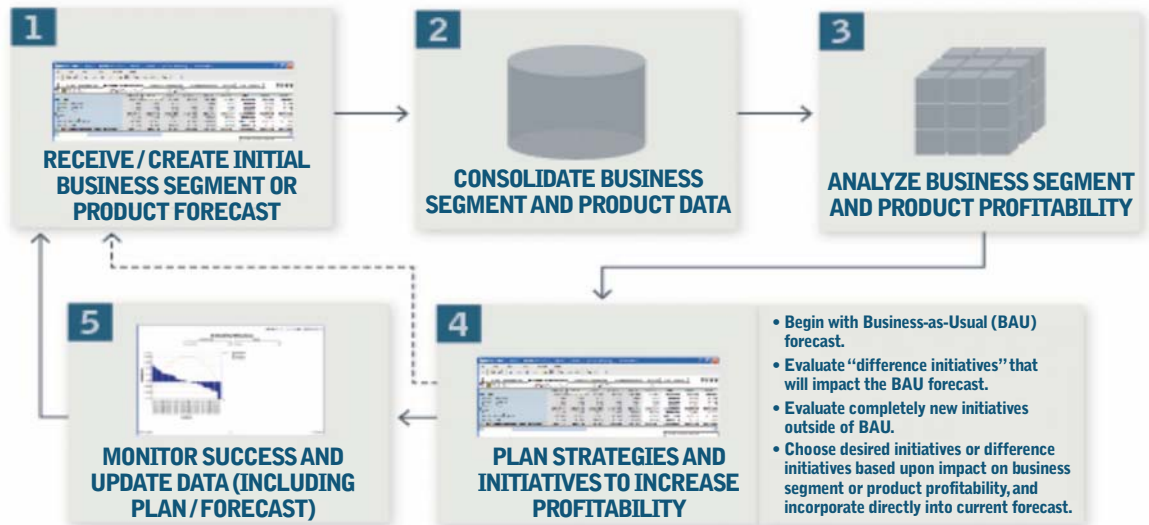


Product Profitability Management at Most Insurers



Despite the inefficient processes found at many insurers, driving product and overall profitability through a coordinated, efficient process is *not* impossible. The first step is to consolidate data, storing all relevant transactional, product, claim, and expense information in an accessible place. Next is to apply the appropriate reporting and analysis tools to the task of understanding as much as possible about business segments, product lines, individual products, and brands. Once these categories are understood more completely, insurers can confidently assess the financial impact of “business as usual” as opposed to implementing one or more initiatives for specific product lines, products, or business segments to improve profitability. Finally, insurers can monitor the success of plans and initiatives and feed what has been learned back into the process, creating a closed-loop cycle for continual performance improvement.

Driving Product Profitability (Insurance)



THE COGNOS SOLUTION: THE INSURANCE PRODUCT PROFITABILITY PERFORMANCE BLUEPRINT

“The Cognos Insurance Product Profitability Performance Blueprint offers a strong performance management platform that enables insurers to optimize their product mix and continuously drive profitability through both historical reporting and analysis and long-term initiative planning and forecasting.”

John Herrmann
 Manager of Group Budgeting and Forecasting
 Suncorp

The Cognos *Insurance Product Profitability Performance Blueprint* lets insurers create business segment profit-and-loss statements and balance sheets by product line, product, and brand. The *Blueprint* allows business analysts, product managers, and finance executives to report on and analyze profitability, to create P&Ls and balance sheets, and to plan initiatives to improve business segment results.

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

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

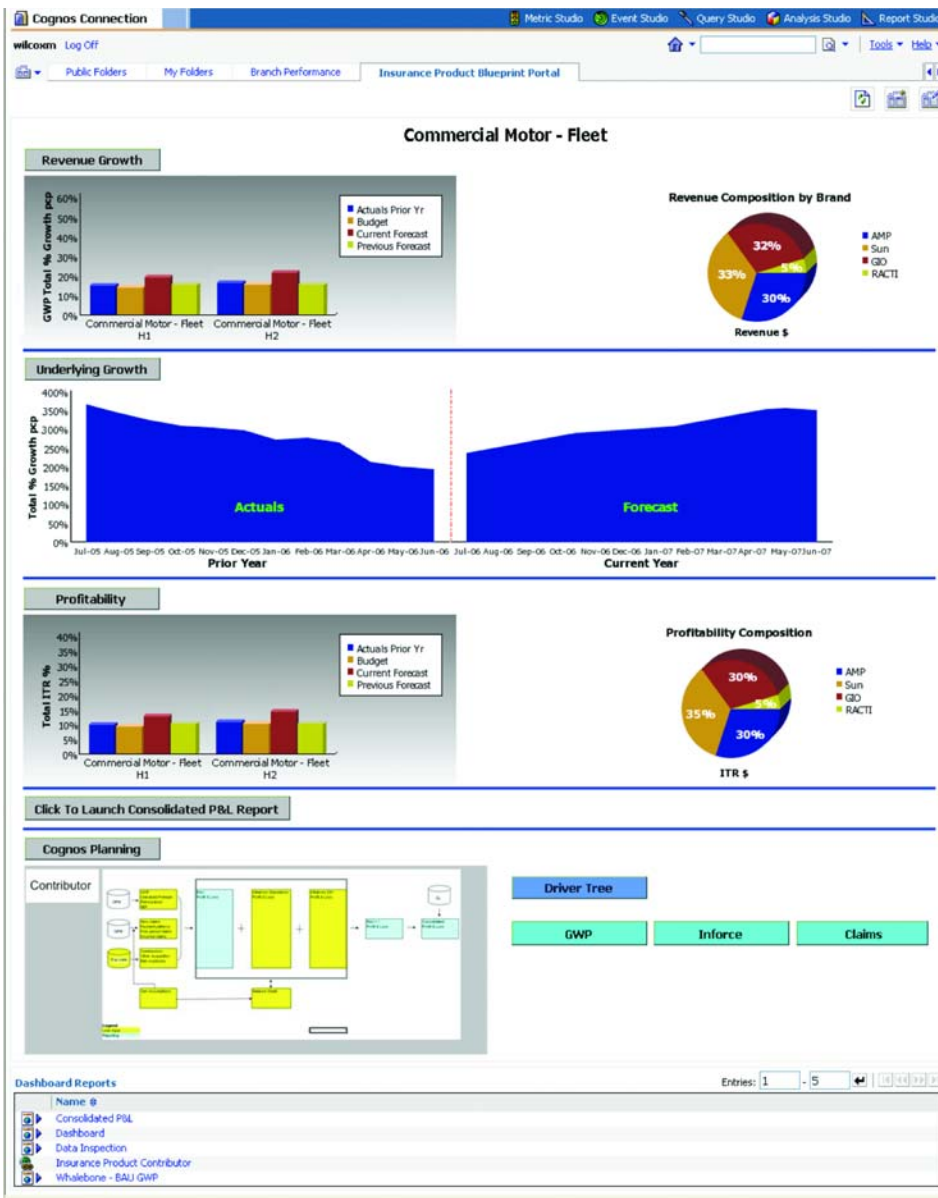
These components allow users across the insurance enterprise to perform more effectively.

- Finance executives can plan across business segments, products, and brands in an efficient, consistent manner—with contributor plans from all products or brands rolling up into a single, consolidated plan—and no more Excel version control issues!
- Business segment executives, product managers and analysts can evaluate changing market conditions and consider multiple scenarios on a rolling, immediate basis—taking into account the overall impact to business segment, product or brand profitability and enabling the enterprise to act in a coordinated fashion.

Using the Cognos 8 Planning and Cognos 8 Business Intelligence solutions, the *Blueprint* enables insurers to receive business segment, product line, and brand information, analyze that information to determine targets, plan initiatives to increase profits in the chosen target, and manage and update a P&L and balance sheet at the desired level in the product hierarchy. The descriptions below follow that workflow—report and analyze business segments, product lines and brands; plan initiatives; and manage the P&L and balance sheet.

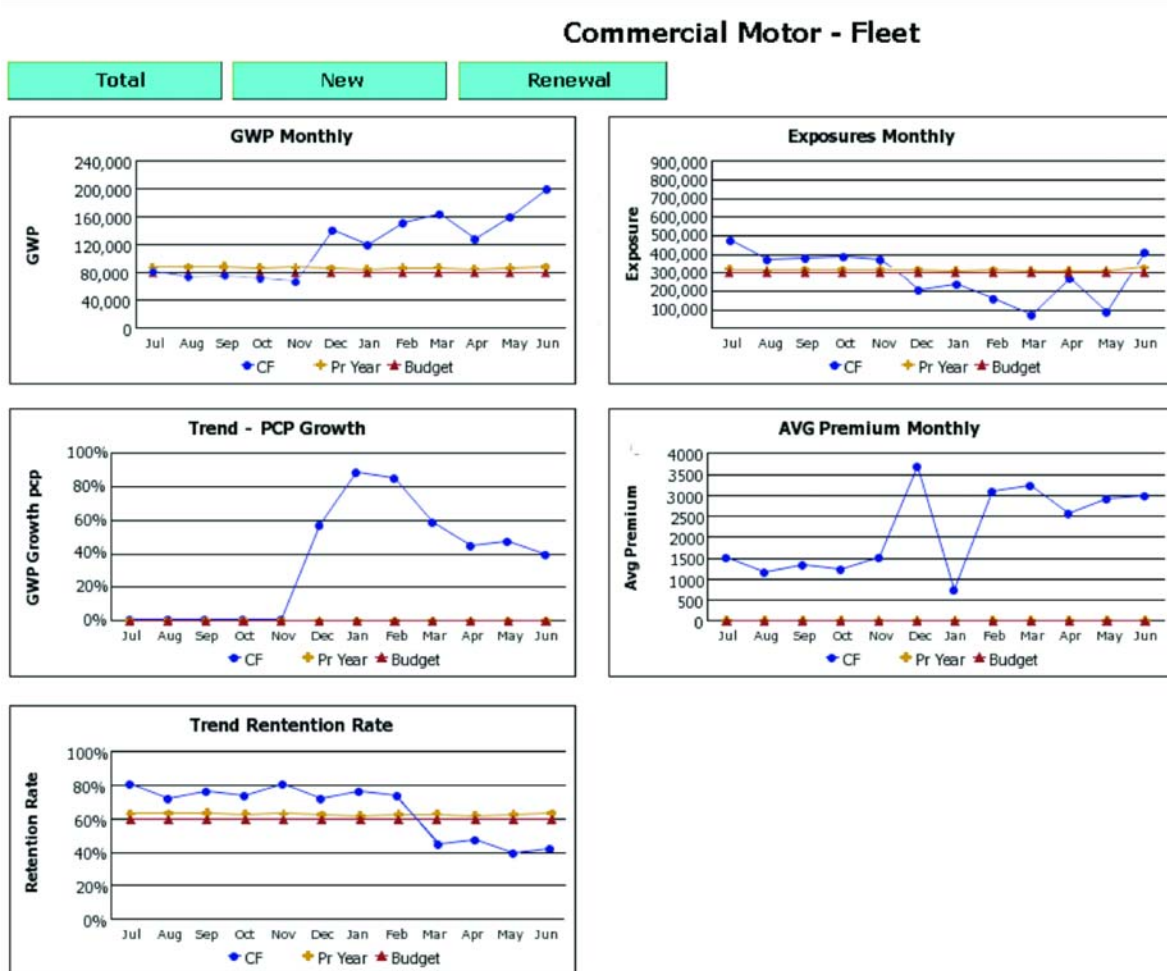
BUSINESS SEGMENT, PRODUCT LINE, PRODUCT AND BRAND REPORTING, ANALYSIS, DASHBOARDS, AND SCORECARDS

The *Insurance Product Profitability Performance Blueprint* provides a hierarchy of dashboards and reporting designed to guide the user through increasingly deeper levels of business segment, product line, or brand profitability. The first level in the hierarchy provides a view across a business segment (such as commercial or personal insurance), product line, or brand, helping the user understand performance across measures such as revenue and profitability at a glance.



From the dashboard, there are several logical areas where the user may choose to drill down for more information. The first of these is revenue growth. From the **Revenue Growth** chart, the user may drill down into a series of reports that provides more information on gross written premiums, retention rate, and renewals. The charts shown below compare these measures—including growth rates in some cases—across prior year results, the budget, and the current forecast.

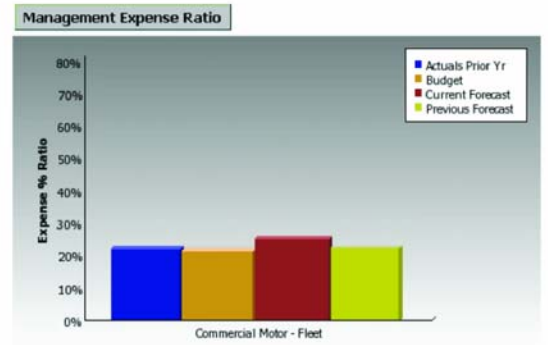
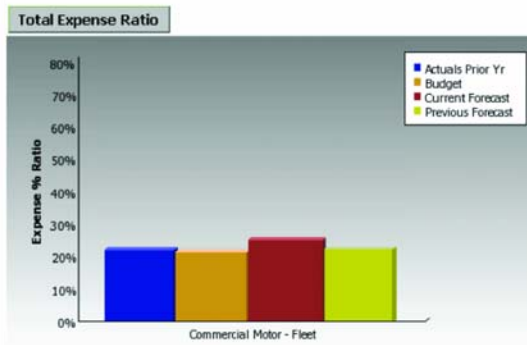
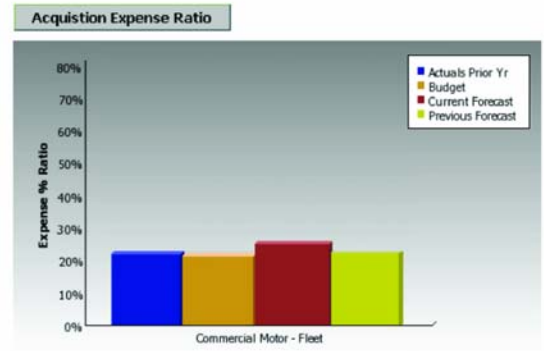
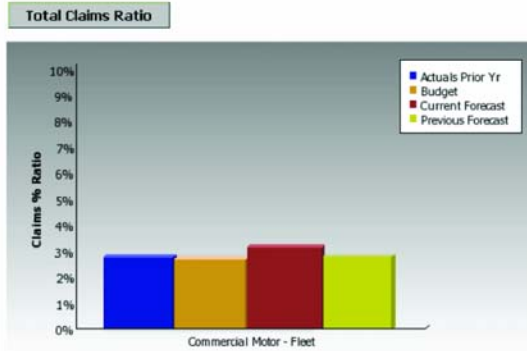
Revenue Growth Drill-Down Reports



In addition to revenue growth, the user may also want to investigate other critical aspects of profitability—claims and expenses. The Total Claims and Total Expense Report provides an initial view into these items.

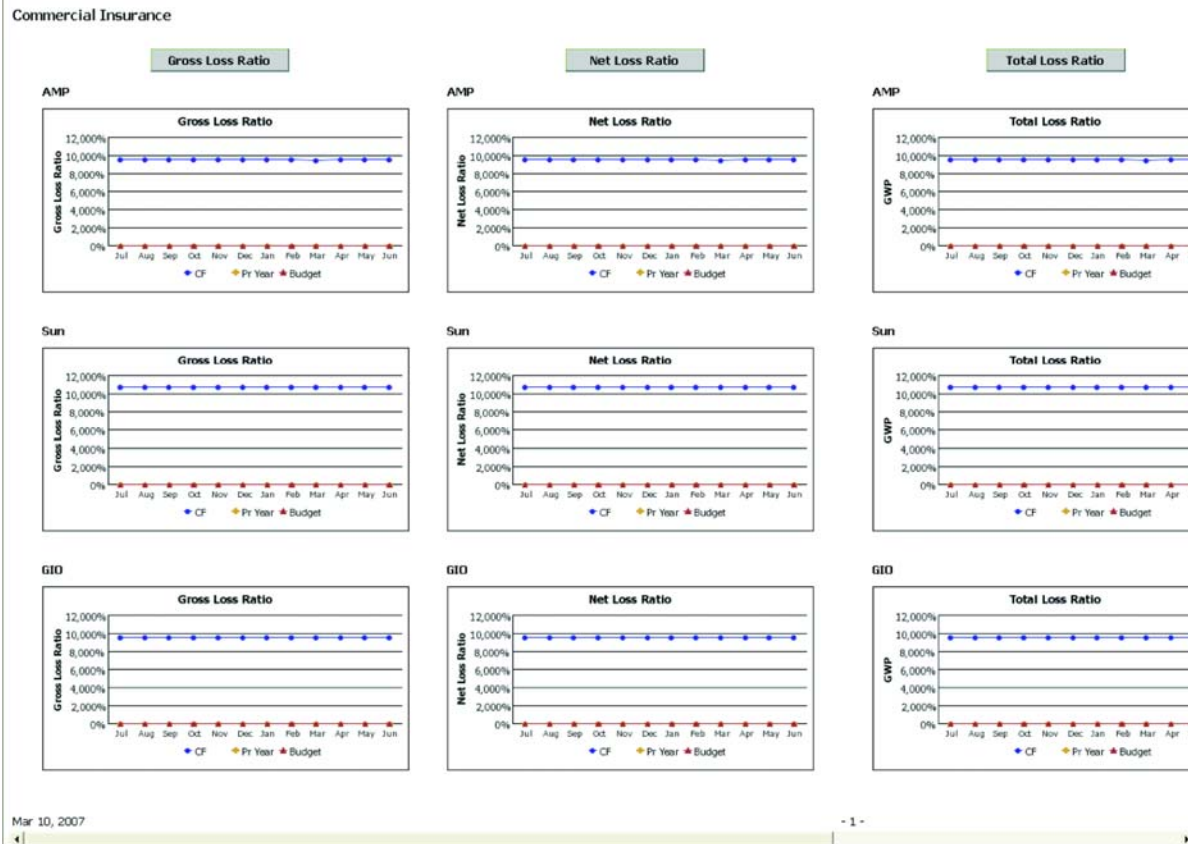
Total Claims and Total Expense Drill-Down Reports

Commercial Motor - Fleet



From here, the Claims Drill-Down Report provides another series of key performance graphs such as Total Losses, Working Losses, Event Losses, and Large Loss Ratios.

Claims Drill-Down Reports



Finally, the user may wish to go directly to the **Consolidated Profit and Loss Report** for the business segment, product line, or brand. The portal provides a quick link to access that report, which provides the full P&L, including **Gross Written Premium, Net Earned Premium, Operating Expenses, Net Underwriting Result, Insurance Trading Result, Profit Before Tax and Funding, and Operating Profit Before Tax**. In addition, a key set of performance measures is displayed, including growth rates, expense ratios, and policies in force. All of the income statement items and performance measures referenced are displayed for historical actuals, budget, previous forecast, and current forecast.

Consolidated P&L Report

Consolidated P&L (\$000)	Actual	Actual	Budget	Previous	Current	Variance Curr	Variance Prev
	FY2006	FY2006	FY2007	Forecast	Forecast	y Budget	ious
	Total	Total	Total	Total	Total	FY2007 Total	FY2007 Total
Gross Written Premium	22,638,461	23,054,694	22,937,820	23,209,638	23,124,066	186,246	-84,572
Gross Earned Premium	15,700,917	15,997,743	15,755,735	16,121,227	16,045,881	290,145	-75,347
Total Reinsurance Premium	6,998	6,210	6,256	6,409	6,229	126	-100
Net Earned Premium	15,702,819	15,991,533	15,990,671	16,114,818	16,039,652	48,981	-75,166
Gross Incurred Claims	93,790	95,514	94,954	97,118	95,802	848	-1,317
Total Reinsurance Recoveries	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Claims Provision Releases	0	0	0	0	0	0	0
Market Rate Adjustments (1)	0	0	0	0	0	0	0
Claims Handling Expense	8.44	8.60	8.54	8.63	8.63	0.09	0.00
Net Incurred Claims	8.44	8.60	8.54	8.63	8.63	0.09	0.00
Total Acquisition Costs	13,814	14,068	13,969	14,110	14,110	141	0
Net Commissions	15,204	15,483	15,375	15,530	15,530	155	0
Net Other Acquisition Costs	-1,290	-1,416	-1,406	-1,420	-1,420	-14	0
Management Expenses	6,168	6,281	6,237	6,300	6,300	63	0
Total Operating Expenses	19,982	20,349	20,206	20,410	20,410	204	0
Net Underwriting Result	15,589,039	15,675,661	15,716,905	16,084,476	15,923,431	206,527	-161,044
Investment Income on Technical Reserve	573,831	584,381	578,537	592,909	586,140	7,602	-6,770
Market Rate Adjustments	0	0	0	0	0	0	0
Insurance Trading Result (ILT releases)	16,162,870	16,460,042	16,295,442	16,677,385	16,509,571	214,129	-167,814
Other Income Managed Funds	0	0	0	0	0	0	0
Other Income Joint Ventures	0	0	0	0	0	0	0
Investment Income on Shareholders' Funds	0	0	0	0	0	0	0
Operating Profit Before Tax and Funding	16,162,870	16,460,042	16,295,442	16,677,385	16,509,571	214,129	-167,814
Sub Debt Charge	0	0	0	0	0	0	0
Operating Profit Before Tax	16,162,870	16,460,042	16,295,442	16,677,385	16,509,571	214,129	-167,814
Ratios							
CWP Growth pcp	63	64	64	65	65	1	0
RI Expense Ratio	0	0	0	0	0	0	0
Average Premium	2,447	2,492	2,473	2,501	2,499	26	-2
Average Premium Growth pcp	30	30	30	31	31	0	0
Infance	100,024	101,863	101,101	102,060	102,169	1,008	100
Retention Rate	51	52	52	52	52	1	0
Gross Loss Ratio	0	0	0	0	0	0	0
Net Loss Ratio	0	0	0	0	0	0	0
CHE Ratio	0	0	0	0	0	0	0
Acquisition Expense Ratio	0	0	0	0	0	0	0
Management Expense Ratio	2	2	2	2	2	0	0
Total Expense Ratio	0	0	0	0	0	0	0
Combined Operating Ratio	0	0	0	0	0	0	0
ITR Margin	53	53	53	53	53	0	0
ITR Margin (Ex-ILT releases)	53	53	53	53	53	0	0

Of course, the overall objective of this *Blueprint* is to enable insurers to *affect* the profit- and-loss statement in a positive way. To do so, insurers must have a solid understanding of the “business-as-usual” forecast, then evaluate potential initiatives and difference initiatives to discover the impact on the P&L. Note that a “difference initiative” is one in which the user modifies the current business-as-usual forecast and then the model calculates what would need to take place to accomplish that objective. An “initiative” begins with a clean slate—not the business-as-usual forecast—and the user defines the desired result.

REVENUE PLANNING

Using Cognos 8 Planning, a revenue forecast is created that includes both new and renewal premiums, and considers items such as exposure, cancellations, and lapses. The revenue forecast may occur at any level, including business segment, product line, or brand. Earned premium calculations and phasing are also considered in the model.

To facilitate data entry, the **Revenue** tab may be reoriented as needed. For example, the tab may be reoriented to work on the Gross Written Premium for all product groups in the business segment. Fields in **GRAY** are non-editable and consist of historical data (which is locked), data linked over from other tabs, or items calculated from information entered in the white (editable) areas. As changes are made, they are highlighted in **BLUE** along with any cells affected by the change. Changes will affect revenue numbers and flow through the model to subsequent tabs, including the **Profit and Loss** statement and **Balance Sheet**.

Revenue

Choice	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Fiscal 07	Jul-07	Aug-07	Sep-07	Oct-07
Choice												
Gross Written Premium	388,143	61,686	244,456	647,064	644,936	522,421	1,327,274	5,099,617	215,800	334,631	452,403	99,962
GWP - New	340,670	56,872	23,963	125,714	67,892	113,585	519,312	1,483,180	79,591	52,005	115,940	3,396
Premium - New	320,906	22,675	16,047	117,928	62,843	108,695	510,221	1,383,372	77,958	50,468	113,644	100
Average Premium - New	40,113.3	11,337.5	8,023.5	13,103.1	10,473.8	12,077.3	26,853.7	17,078.7	7,795.8	5,607.6	18,940.7	100.0
Average Premium - New (\$ Adj)	15,132.0	0.0	0.0	6,106.6	10,473.8	5,078.3	21,989.8	0.0	0.0	0.0	0.0	0.0
Average Premium - New (% Adj)	61%	0%	0%	87%	0%	73%	452%	0%	0%	0%	0%	0%
Average Premium - New (Trend)	24,981.3	11,337.5	8,023.5	6,996.5	0.0	6,993.0	4,863.9	63,201.7	7,795.8	5,607.6	18,940.7	100.0
Exposure - New	8	2	2	9	6	9	19	81	10	9	6	1
Exposure - New (# Adj)	1	0	0	7	6	8	5	0	0	0	0	0
Exposure - New (% Adj)	14%	0%	0%	350%	0%	800%	36%	0%	0%	0%	0%	0%
Exposure - New (Trend)	7	2	2	2	0	1	14	28	10	9	6	1
Endorsement Premium - New	19,764	34,197	7,916	15,942	5,049	4,890	9,091	113,963	1,633	1,537	2,296	3,296
Average Premium - New Endorsement	1,918.8	4,952.4	835.4	1,182.2	759.2	721.0	717.0	971.8	1,071.0	92.4	168.6	177.9
Average Premium - New Endorsement (\$ Adj)	833.4	828.4	828.4	823.4	759.2	721.0	717.0	0.0	0.0	0.0	0.0	0.0
Average Premium - New Endorsement (% Adj)	77%	20%	11,834%	229%	0%	0%	0%	0%	0%	0%	0%	0%
Average Premium - New Endorsement (Trend)	1,085.4	4,124.0	7.0	368.8	0.0	0.0	0.0	5,575.3	1,071.0	92.4	168.6	177.9
Exposure - New Endorsement	10	7	9	13	7	7	13	117	2	17	14	19
Endorsement Rate - New	14.93%	9.21%	12.31%	17.29%	9.26%	10.00%	18.70%	17.29%	1.89%	18.52%	14.52%	20.53%
Endorsement Rate - New (# Adj)	8.06%	8.20%	8.20%	8.20%	9.26%	10.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Endorsement Rate - New (% Adj)	117.51%	811.48%	199.45%	90.16%	0.00%	0.00%	115.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Endorsement Rate - New (Trend)	6.86%	1.01%	4.11%	9.03%	0.00%	0.00%	8.70%	29.77%	1.89%	18.52%	14.52%	20.53%
Cancellation Premium - New	0	0	0	8,156	0	0	0	8,156	0	0	0	0
Average Premium - New Cancellation	0.0	0.0	0.0	6,901.0	0.0	0.0	0.0	6,901.0	0.0	0.0	0.0	0.0
Average Premium - New Cancellation (\$ Adj)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Average Premium - New Cancellation (% Adj)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Average Premium - New Cancellation (Trend)	0.0	0.0	0.0	6,901.0	0.0	0.0	0.0	6,901.0	0.0	0.0	0.0	0.0
Exposure - New Cancellation	0	0	0	1	0	0	0	1	0	0	0	0
Cancellation Rate - New	0.00%	0.00%	0.00%	1.52%	0.00%	0.00%	0.00%	0.13%	0.00%	0.00%	0.00%	0.00%
Cancellation Rate - New (# Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cancellation Rate - New (% Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Cancellation Rate - New (Trend)	0.00%	0.00%	0.00%	1.52%	0.00%	0.00%	0.00%	1.52%	0.00%	0.00%	0.00%	0.00%
GWP - Renewal	47,473	4,814	220,432	521,351	577,045	408,836	807,963	3,610,437	136,209	282,626	336,463	96,566
Premium - Renewal	85,125	35,839	228,280	536,265	592,560	398,986	854,620	3,790,769	142,884	281,810	336,362	98,454
Average Premium - Renewal	10,047.1	15,204.4	15,218.6	16,144.9	16,967.5	12,665.1	17,029.8	11,707.9	6,868.2	7,289.2	8,038.7	9,793.6
Average Premium - Renewal (\$ Adj)	6,440.8	10,380.0	5,908.3	6,898.9	8,170.2	8,136.6	10,561.3	0.0	0.0	0.0	0.0	0.0
Average Premium - Renewal (% Adj)	179%	216%	57%	77%	93%	180%	163%	0%	0%	0%	0%	0%
Average Premium - Renewal (Trend)	3,606.4	4,806.4	9,710.3	9,145.9	8,797.4	4,526.5	6,468.5	47,061.4	6,868.2	7,289.2	8,038.7	9,793.6
Exposure - Renewal	8	2	15	33	35	32	50	324	21	39	42	10
Exposure - New Renewal	1	0	1	2	10	8	6	46	1	5	7	6
Offered - New Renewal	2	0	1	14	10	9	6	60	1	5	10	6
Lapse Premium - New Renewal	8,737	0	0	186,980	0	14,248	0	209,893	0	0	19,731	0
Lapse Exposure - New Renewal	1	0	0	12	0	1	0	14	0	0	2	0
Lapse Rate - New Renewal	43.48%	25.00%	0.00%	82.63%	0.00%	12.50%	0.00%	22.62%	0.00%	0.00%	25.00%	0.00%
Lapse Rate - New Renewal (# Adj)	0.00%	0.00%	0.00%	7.63%	0.00%	12.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lapse Rate - New Renewal (% Adj)	0.00%	0.00%	0.00%	10.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Lapse Rate - New Renewal (Trend)	43.48%	25.00%	0.00%	75.00%	0.00%	0.00%	0.00%	143.48%	0.00%	0.00%	25.00%	0.00%
Exposure - Renewal Renewal	7	2	14	31	25	24	44	277	20	34	34	4
Offered - Renewal Renewal	9	3	15	37	27	30	58	326	24	36	40	5
Lapse Premium - Renewal Renewal	16,657	9,774	15,219	98,215	35,240	80,704	227,187	625,970	27,203	15,830	43,307	12,213
Lapse Exposure - Renewal Renewal	2	1	1	6	2	6	13	48	4	2	5	1
Lapse Rate - Renewal Renewal	18.47%	21.43%	6.67%	16.44%	7.64%	21.24%	23.19%	14.80%	16.67%	6.06%	13.51%	23.53%

Current owner: wilcoxon

Earned Premium Calculation

Revenue	Payment Pattern	Premium Spread Calc	Earned Premium Calc	Expenses	Current Year Claims	Prior Year Claims Cashflow	Incurred Claims	Claim Payment Table	BAU	Profit & Loss						
Commercial Motor - Fleet		GI0	Scenario 2													
			Fiscal 06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Fiscal 07
Premium			461,446	29,631	3,000	54,894	0	51,852	85,942	196,770	51,889	201,054	96,244	28,324	198,083	997,683
0			50	4	4	4	4	4	4	4	4	4	4	4	4	50
1			100	0	0	0	0	0	0	0	0	0	0	0	0	100
2			100	0	0	0	0	0	0	0	0	0	0	0	0	100
3			100	0	0	0	0	0	0	0	0	0	0	0	0	100
4			100	0	0	0	0	0	0	0	0	0	0	0	0	100
5			100	0	0	0	0	0	0	0	0	0	0	0	0	100
6			100	0	0	0	0	0	0	0	0	0	0	0	0	100
7			100	0	0	0	0	0	0	0	0	0	0	0	0	100
8			100	0	0	0	0	0	0	0	0	0	0	0	0	100
9			100	0	0	0	0	0	0	0	0	0	0	0	0	100
10			100	0	0	0	0	0	0	0	0	0	0	0	0	100
11			100	0	0	0	0	0	0	0	0	0	0	0	0	100
12			50	4	4	4	4	4	4	4	4	4	4	4	4	50
Earned Premium			220,090	37,754	36,027	36,641	35,177	34,085	36,671	44,625	54,168	61,565	69,123	71,620	77,468	594,925
Earned Premium (Daily Adjust)			219,347	38,479	36,718	36,139	35,852	33,618	37,374	45,481	49,865	62,746	68,176	72,994	76,407	593,847
GWP (Cum)			2,871,798	491,077	494,077	548,971	548,971	600,823	686,765	883,535	935,424	1,136,478	1,232,722	1,261,046	1,455,129	10,279,018
Earned Premium (Cum)			952,414	257,844	293,871	330,512	365,690	393,775	436,446	481,071	535,239	596,804	665,927	737,547	815,015	5,915,740
UPR (Unearned Premium Reserve)			1,879,384	233,233	200,206	218,459	183,281	201,048	250,319	402,464	400,185	539,674	566,796	523,499	644,115	4,363,278
Days Per Month (HIDE)			365	31	31	30	31	30	31	31	28	31	30	31	30	365
Premium			456,304	59,635	74,234	12,712	123,457	0	56,432	58,380	(28,216)	124,698	42,324	98,756	337,364	959,776
0			50	4	4	4	4	4	4	4	4	4	4	4	4	50
1			100	0	0	0	0	0	0	0	0	0	0	0	0	100
2			100	0	0	0	0	0	0	0	0	0	0	0	0	100
3			100	0	0	0	0	0	0	0	0	0	0	0	0	100
4			100	0	0	0	0	0	0	0	0	0	0	0	0	100
5			100	0	0	0	0	0	0	0	0	0	0	0	0	100
6			100	0	0	0	0	0	0	0	0	0	0	0	0	100
7			100	0	0	0	0	0	0	0	0	0	0	0	0	100
8			100	0	0	0	0	0	0	0	0	0	0	0	0	100
9			100	0	0	0	0	0	0	0	0	0	0	0	0	100
10			100	0	0	0	0	0	0	0	0	0	0	0	0	100
11			100	0	0	0	0	0	0	0	0	0	0	0	0	100
12			50	4	4	4	4	4	4	4	4	4	4	4	4	50
Earned Premium			162,622	40,510	42,252	42,038	44,569	46,571	48,645	53,150	54,407	57,971	63,130	65,086	73,302	631,632
Earned Premium (Daily Adjust)			162,039	41,287	43,062	41,462	45,424	45,933	49,578	54,170	50,084	59,083	62,266	66,334	72,298	630,981
GWP (Cum)			2,179,617	515,939	590,173	602,885	726,342	726,342	782,774	841,154	812,938	937,636	979,960	1,078,716	1,416,080	10,010,939
Earned Premium (Cum)			769,433	203,132	245,384	287,422	331,991	378,562	427,207	480,357	534,765	592,736	655,866	720,952	794,254	5,652,629
UPR (Unearned Premium Reserve)			1,410,184	312,807	344,789	315,463	394,351	347,780	355,567	360,797	278,173	344,900	324,094	357,764	621,826	4,358,310
Days Per Month (HIDE)			365	31	31	30	31	30	31	31	28	31	30	31	30	365
Days Per Year (HIDE)			4,380	365	365	365	365	365	365	365	365	365	365	365	365	4,380

EXPENSE PLANNING

The Expenses tab provides the cost portion of the Profit and Loss statement. As shown in the screen capture below, the Expenses tab captures such items as commissions, distribution allowance, and other management expenses. The end result is total operating expenses. In addition, the tab provides a number of key ratios, including total acquisition costs, net commission, and total expense ratios.

Expenses

	Revenue	Payment Pattern	Premium Spread Calc	Earned Premium Calc	Expenses	Current Year Claims	Prior Year Claims Cashflow	Incurred Claims	Claim Payment Table	BAU	Profit & Loss					
	Commercial Motor - Fleet															
	GIC															
	Current Forecast															
	Method	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Fiscal 07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08
Gross Written Premium		142,221	250,838	31,254	526,395	139,532	130,063	522,332	2,905,921	127,054	145,162	185,017	225,519	10,613	15,214	232,765
GWP - New		65,789	196,770	59,470	201,697	97,208	31,507	184,968	976,188	46,404	34,776	91,960	32,920	8,686	15,214	74,532
GWP - Renewal		56,432	54,068	(28,216)	124,698	42,324	98,796	337,364	1,029,733	80,650	111,386	73,037	192,599	1,928	0	158,233
Gross Earned Premium		86,799	95,338	107,530	122,471	131,405	142,311	135,590	1,199,338	173,060	181,610	200,637	199,725	170,689	177,901	154,515
Gross Earned Premium - New		37,222	45,481	57,445	63,388	69,140	75,577	63,292	572,352	90,878	96,964	114,726	92,363	91,089	82,918	75,308
Gross Earned Premium - Renewal		49,578	49,858	50,084	59,083	62,265	66,734	72,298	626,986	82,182	84,646	85,910	107,371	79,600	94,983	89,477
Net Earned Premium		86,776	95,297	107,524	122,417	131,382	142,290	135,503	1,199,006	173,039	181,585	200,609	199,687	170,688	177,898	164,476
Total Acquisition Costs		7,587	20,281	20,757	20,889	21,156	21,284	21,282	133,270	21,985	22,175	22,751	22,582	22,050	22,082	21,797
Net Commissions		(10,028)	(2,431)	(4,708)	(1,267)	(3,273)	(3,326)	1,153	(23,845)	(3,007)	(2,697)	(2,186)	(1,592)	(4,303)	(4,234)	(1,896)
Commission - New		1,000	2,293	693	2,350	1,133	365	2,155	10,022	541	405	1,072	384	101	177	868
Commission - New Rate		1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.03%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%
Commission - New Rate (# Adj)		0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%
Commission - New Rate (% Adj)		2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%
Commission - New Rate (Trend)		1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	7.95%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
Commission - Renewal		614	(321)	1,417	481	1,122	3,834	7,789	7,789	916	1,266	830	2,189	22	0	1,798
Commission - Renewal Rate	Same Period/Previous Year	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	0.76%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
Commission - Renewal Rate (# Adj)	12 Month Average	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commission - Renewal Rate (% Adj)	Last Period	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Commission - Renewal Rate (Trend)	Zero Trend	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	7.95%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
AMP Distribution Allowance		1,616	2,850	395	3,709	1,586	1,478	5,936	17,530	1,444	1,661	1,875	2,563	121	173	2,645
AMP Distribution Allowance Rate		1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	0.87%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
AMP Distribution Allowance Rate (# Adj)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AMP Distribution Allowance Rate (% Adj)		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AMP Distribution Allowance Rate (Trend)		1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	7.95%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%	1.14%
Reinsurance Exchange Commission		6,400	6,400	6,400	6,400	6,400	6,400	6,400	44,800	6,400	6,400	6,400	6,400	6,400	6,400	6,400
DACA - Commissions		6,885	1,788	(965)	2,343	72	(109)	4,371	14,386	(492)	(371)	(437)	327	(1,853)	(1,816)	807
Net Other Acquisition Costs		4,815	9,912	12,665	9,357	11,628	11,809	7,329	67,514	12,192	12,071	12,137	11,373	13,553	13,516	10,893
Other Acquisition Costs		3,700	3,700	3,700	3,700	3,700	3,700	3,700	25,900	3,700	3,700	3,700	3,700	3,700	3,700	3,700
DACA - Other Acquisition Costs		6,885	1,788	(965)	2,343	72	(109)	4,371	14,386	(492)	(371)	(437)	327	(1,853)	(1,816)	807
Levies & Charges		8,000	8,000	8,000	8,000	8,000	8,000	8,000	56,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Management Expenses		30,000	30,000	30,000	30,000	30,000	30,000	30,000	210,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Total Operating Expenses		37,587	50,281	50,757	50,889	51,156	51,284	51,282	343,270	51,985	52,175	52,751	52,582	52,050	52,082	51,797
Total Acquisition Expense Ratio		8.74%	21.28%	19.30%	17.06%	16.10%	14.96%	15.71%	11.12%	12.71%	12.21%	11.34%	11.31%	12.92%	12.41%	13.25%
Net Commission Ratio		(11.56%)	(2.55%)	(4.38%)	(1.04%)	(2.49%)	(2.34%)	0.85%	(1.99%)	(1.74%)	(1.49%)	(1.89%)	(0.80%)	(2.52%)	(2.38%)	(1.15%)
Gross Commission Ratio - New		1.15%	2.40%	0.64%	1.92%	0.86%	0.26%	1.59%	0.84%	0.31%	0.22%	0.53%	0.19%	0.06%	0.10%	0.53%
Gross Commission Ratio - Renewal		0.74%	0.64%	(0.30%)	1.16%	0.77%	0.79%	2.83%	0.65%	0.53%	0.70%	0.41%	1.10%	0.01%	0.00%	1.09%
Commission Ratio		(3.62%)	(0.67%)	(5.28%)	0.88%	(2.44%)	(2.41%)	4.07%	(0.79%)	(2.02%)	(1.69%)	(1.31%)	(0.63%)	(3.61%)	(3.40%)	(0.66%)
Other Acquisition Expense Ratio		5.55%	10.40%	11.78%	7.64%	8.85%	8.30%	5.41%	5.63%	7.05%	6.65%	6.05%	5.70%	7.94%	7.60%	6.62%
Levies & Charges Ratio		9.22%	8.39%	7.44%	6.54%	6.89%	5.62%	5.90%	4.67%	4.62%	4.41%	3.99%	4.01%	4.69%	4.50%	4.86%
Management Expense Ratio		34.57%	31.48%	27.90%	24.51%	22.83%	21.08%	22.14%	17.51%	17.34%	16.52%	14.95%	15.02%	17.58%	16.86%	18.24%
Total Expense Ratio		43.31%	52.76%	47.21%	41.57%	38.94%	36.04%	37.85%	28.63%	30.04%	28.73%	26.30%	26.33%	30.49%	29.28%	31.49%

CLAIMS PLANNING

Tabs in the model for Current Year Claims, Prior Year Claims, and Incurred Claims provide vital claims information for the profit-and-loss statement. These tabs incorporate concepts such as gross and net claims, recoveries, claims handling expense, movements in reserves, and discount unwind. In addition, significant ratios are again provided, such as gross and net loss ratios.

Current Year Claims

Revenue	Payment Pattern	Premium Spread Calc	Earned Premium Calc	Expenses	Current Year Claims	Prior Year Claims Cashflow	Incurred Claims	Claim Payment Table	BAU	Profit & Loss				
Commercial Motor - Fleet														
JMP														
Method	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Fiscal 07	Jul-07
New Claims (no CHE or PM)	1,786	1,801	1,741	1,567	1,718	2,129	2,461	2,203	2,550	2,676	3,213	2,979	26,823	3,578
Claims Method	-													
Incurred Dollar - New	375	358	302	307	332	664	921	633	718	681	722	885	6,900	1,015
Gross Loss Ratio - New	0.67%	0.67%	0.67%	0.67%	0.67%	0.83%	0.83%	0.83%	0.84%	0.83%	0.84%	0.83%	0.79%	0.83%
Gross Loss Ratio - New (Trend)	0.67%	0.67%	0.67%	0.67%	0.67%	0.83%	0.83%	0.83%	0.84%	0.83%	0.84%	0.83%	0.79%	0.83%
Gross Loss Ratio - New (% Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.16%	0.16%	0.17%	0.16%	0.17%	0.16%	1.16%	0.16%
Gross Loss Ratio - New (Trend)	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.16%	0.16%	0.17%	0.16%	0.17%	0.16%	1.16%	0.16%
Incurred Number - New	0	0	0	0	0	3	3	3	3	3	3	3	3	3
Average Claim Size - New	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average Claim Size - New (% Adj)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average Claim Size - New (Trend)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Claim Frequency - New	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.02%	0.04%
Claim Frequency - New (Trend)	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.02%	0.04%
Claim Frequency - New (% Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Claim Frequency - New (Trend)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Incurred Dollar - Renewal	1,411	1,442	1,439	1,260	1,386	1,465	1,540	1,570	1,831	1,954	2,494	2,094	19,923	2,563
Gross Loss Ratio - Renewal	0.67%	0.67%	0.67%	0.67%	0.67%	0.83%	0.83%	0.83%	0.84%	0.83%	0.84%	0.83%	0.77%	0.83%
Gross Loss Ratio - Renewal (Trend)	0.67%	0.67%	0.67%	0.67%	0.67%	0.83%	0.83%	0.83%	0.84%	0.83%	0.84%	0.83%	0.77%	0.83%
Gross Loss Ratio - Renewal (% Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Gross Loss Ratio - Renewal (Trend)	0.00%	0.00%	0.00%	0.00%	0.00%	0.16%	0.16%	0.16%	0.17%	0.16%	0.17%	0.16%	1.16%	0.16%
Incurred Number - Renewal	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Average Claim Size - Renewal	0.00	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Average Claim Size - Renewal (% Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Average Claim Size - Renewal (Trend)	0.00	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	21.00	3.00
Claim Frequency - Renewal	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.02%	0.04%
Claim Frequency - Renewal (Trend)	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.04%	0.02%	0.04%
Claim Frequency - Renewal (% Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Claim Frequency - Renewal (Trend)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Earned Premium - New	56,001	53,476	45,101	45,821	49,579	79,952	108,382	76,138	85,818	81,990	86,227	106,495	874,591	122,101
Earned Premium - Renewal	210,546	215,273	214,716	198,096	206,977	176,243	181,089	188,944	218,807	239,574	297,617	251,517	2,590,100	308,425
Inforce - New	66	67	68	69	69	72	76	78	75	70	68	74	74	85
Inforce - Renewal	337	336	335	337	335	330	322	317	310	306	307	299	299	288

Prior Year Claims

Revenue	Payment Pattern	Premium Spread Calc	Earned Premium Calc	Expenses	Current Year Claims	Prior Year Claims Cashflow	Incurred Claims	Claim Payment Table	BAU	Profit & Loss											
Commercial Motor - Fleet																					
JMP																					
Method	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05	Fiscal 05	Jul-05	Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	
Prior Year Cash Flows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Included Prior Year Cash Flows	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Incurred Claims

Revenue	Payment Pattern	Premium Spread Calc	Earned Premium Calc	Expenses	Current Year Claims	Prior Year Claims Cashflow	Incurred Claims	Claim Payment Table	BAU	Profit & Loss					
Commercial Motor - Fleet															
JMP															
Method	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Fiscal 07	Jul-07	Aug-07
Gross Written Premium	314,371	400,820	313	313	313	313	61,696	244,456	647,064	644,936	522,421	1,327,274	5,142,461	215,800	334,631
GWP - New	2,627	22,311	87	87	87	87	670	56,872	23,963	125,714	67,892	113,580	519,312	1,489,898	79,591
GWP - Renewal	311,744	378,509	225,650	(3,273)	151,952	47,473	4,814	220,492	521,351	577,045	408,036	408,036	408,036	1,362,563	136,209
Premium - Renewal	313,970	377,093	223,187	29,486	155,310	85,125	35,839	228,280	538,265	592,560	398,986	398,986	398,986	1,362,563	136,209
Gross Earned Premium	266,730	269,098	259,964	234,017	256,570	256,195	289,471	265,083	304,626	321,965	383,944	358,412	3,465,965	430,526	434,810
Proportional RI	1,572	2,004	1,566	386	1,004	1,941	388	1,222	3,225	3,225	2,612	6,636	25,712	1,079	1,673
Non-proportional RI	1,572	1,13	1,566	386	1,004	1,941	388	1,222	3,225	3,225	2,612	6,636	25,712	1,079	1,673
Facultative RI	68	87	68	17	43	84	13	53	140	129	113	287	1,111	47	72
Earned Premium - New	56,038	53,830	45,255	45,920	49,653	79,952	108,382	76,138	85,818	81,990	86,227	106,495	875,699	122,101	126,667
Earned Premium - Renewal	210,692	215,268	214,709	188,096	206,977	176,243	181,089	188,944	218,807	239,574	297,617	251,517	2,590,266	308,425	307,745
Net Earned Premium	261,946	264,982	256,754	233,225	254,513	252,217	288,839	262,578	297,594	315,355	378,490	344,810	3,411,701	428,314	430,987
Gross Incurred Claims	1,788	1,805	1,747	1,577	1,730	3,384	4,053	3,518	4,111	4,268	5,176	4,746	37,302	5,701	5,865
Net Incurred Claims (including CHE)	758	582	729	1,326	1,078	2,123	3,853	2,723	2,088	2,171	3,479	431	21,178	5,000	4,777
Net Incurred Claims (excluding CHE)	758	582	729	1,326	1,078	2,122	3,853	2,723	2,087	2,171	3,477	431	21,177	5,000	4,777
Total RI Recoveries	1,830	1,303	1,018	251	653	1,262	201	795	2,104	2,097	1,698	4,315	16,726	702	1,088
Proportional RI Recoveries	1,022	1,303	1,018	251	652	1,261	200	794	2,103	2,096	1,698	4,314	16,713	701	1,088
Proportional RI Recoveries Rate	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%	65.00%
Facultative RI Recoveries	0	0	0	0	0	0	0	0	1	1	0	1	4	0	0
Facultative RI Recoveries Rate	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%
Non-proportional RI Recoveries	0	0	0	0	0	0	0	0	0	0	0	0	9	0	0
Non-proportional RI Recoveries Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Net Claims Paid	30	149	236	412	592	823	1,231	1,528	1,742	1,536	2,291	2,149	13,139	2,347	2,680
Movement in OS Claims Reserve	668	352	452	913	525	1,298	2,619	1,154	265	235	1,185	(1,717)	8,029	2,650	2,095
Movement in Prudential Margin	1	0	0	1	0	1	2	1	0	1	0	1	(2)	0	2
Prudential Margin Rate	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%
Movement in CHE Reserve	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
CHE Rate	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Claims Handling Expense	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0
Other Claims Measures															
Gross Cost of New Claims	1,786	1,801	1,741	1,567	1,718	3,367	4,026	3,484	4,076	4,232	5,136	4,711	37,644	5,658	5,812
Cost of New Claims	1,786	1,801	1,741	1,567	1,718	3,367	4,026	3,484	4,076	4,232	5,136	4,711	37,644	5,658	5,812
Net Cost of New Claims	756	498	722	1,316	1,066	2,105	3,825	2,689	1,972	2,135	3,497	396	20,918	4,957	4,724
Discount/Unwind	2	4	6	9	12	16	24	32	35	36	39	37	250	40	50
Gross Loss Ratio	0.														

INITIATIVE PLANNING

The revenue, expense, and claims planning that has occurred thus far ultimately leads to a **Business-as-Usual** (BAU) forecast. In this scenario, the assumption is that nothing changes. The BAU tab (shown below) reflects the profit and loss statement for the business segment, product line, or brand if this scenario is chosen.

Business as Usual

	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Fiscal 07	Jul-07
Gross Written Premium	314,371	400,820	313,252	77,282	200,756	388,143	61,686	244,456	647,064	644,936	522,421	1,327,274	5,142,461	215,800
Total Exposure	31	47	51	14	21	7	(1)	12	36	35	38	62	354	28
GWP - New	2,627	22,311	87,555	80,555	48,804	340,670	56,872	23,353	125,714	67,852	113,555	519,312	1,489,858	79,531
Exposure - New (Net)	1	5	11	6	3	8	2	2	8	6	9	19	90	10
Premium - New	100	18,249	84,925	77,133	43,650	320,906	22,675	16,047	117,328	62,843	108,695	510,221	1,383,372	77,958
Average Premium - New	100.0	3,649.8	7,720.5	12,855.5	14,550.0	40,113.3	11,337.5	8,023.5	13,103.1	10,473.8	12,077.3	26,853.7	17,078.7	7,795.8
Exposure - New	1	5	11	6	3	8	2	2	9	6	9	19	19	10
Endorsement Premium - New	2,527	4,062	2,670	3,422	5,154	19,764	34,197	7,916	15,942	5,049	4,890	9,091	114,682	1,633
Average Premium - New Endorsement	177.9	264.9	419.2	332.3	725.6	1,918.8	4,952.4	835.4	1,182.2	759.2	721.0	717.0	959.0	1,071.0
Exposure - New Endorsement	14	15	6	10	7	10	7	9	13	7	7	13	120	2
Endorsement Rate - New	20.59%	22.22%	9.23%	14.93%	10.29%	14.93%	9.21%	12.31%	17.29%	9.26%	10.00%	18.70%	14.04%	1.89%
Cancellation Premium - New	0	0	0	0	0	0	0	0	8,156	0	0	0	8,156	0
Average Premium - New Cancellation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6,901.0	0.0	0.0	0.0	6,901.0	0.0
Exposure - New Cancellation	0	0	0	0	0	0	0	0	1	0	0	0	1	0
Cancellation Rate - New	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.52%	0.00%	0.00%	0.00%	0.14%	0.00%
GWP - Renewal	311,744	378,508	225,658	(3,273)	151,952	47,473	4,814	220,492	521,351	577,045	408,836	807,963	3,652,563	136,209
Exposure - Renewal (Net)	30	42	40	8	18	(1)	(3)	10	28	29	29	43	274	18
Premium - Renewal	313,970	377,093	223,187	29,486	155,310	85,125	35,839	228,280	538,265	592,560	398,986	854,628	3,832,728	142,884
Average Premium - Renewal	9,793.6	8,134.2	5,178.6	2,658.5	8,058.5	10,047.1	15,204.4	15,218.6	16,144.9	16,967.6	12,665.1	17,029.8	11,697.3	6,868.2
Exposure - Renewal	32	46	43	11	19	8	2	15	33	35	32	50	328	21
Offered - New Renewal	3	8	7	2	2	1	0	1	2	10	8	6	50	1
Lapse Premium - New Renewal	0	0	0	0	0	8,737	0	0	186,908	0	14,248	0	209,893	0
Lapse Exposure - New Renewal	0	0	0	0	0	1	0	0	12	0	1	0	14	0
Lapse Rate - New Renewal	0.00%	0.00%	0.00%	0.00%	0.00%	43.48%	25.00%	0.00%	82.63%	0.00%	12.50%	0.00%	21.21%	0.00%
Exposure - Renewal Renewal	29	38	36	9	17	7	2	14	31	25	24	44	277	20
Offered - Renewal Renewal	38	44	37	10	19	9	3	15	37	27	30	58	327	24
Lapse Premium - Renewal Renewal	87,566	45,885	4,673	2,417	13,919	16,657	9,774	15,219	98,215	35,240	80,704	227,187	637,457	27,203
Lapse Exposure - Renewal Renewal	9	6	1	1	2	2	1	1	6	2	6	13	49	4
Lapse Rate - Renewal Renewal	23.53%	12.82%	2.44%	9.09%	9.09%	18.42%	21.43%	6.67%	16.44%	7.63%	21.24%	23.19%	15.10%	16.67%
Endorsement Premium - Renewal	(1,609)	1,996	3,201	2,474	(2,268)	5,328	(3,235)	9,744	39,630	19,413	23,517	12,723	110,914	606
Average Premium - Renewal Endorsement	(190.6)	143.9	118.9	176.7	(95.6)	324.0	(167.4)	563.6	2,205.7	1,164.8	2,407.2	526.9	7,178.0	79.2
Exposure - Renewal Endorsement	8	14	27	14	24	16	19	17	18	17	10	24	209	8
Endorsement Rate - Renewal	2.52%	4.14%	8.04%	4.18%	7.08%	4.91%	5.95%	5.42%	5.72%	5.46%	3.18%	7.89%	5.37%	2.62%
Cancellation Premium - Renewal	617	581	731	35,233	1,090	42,980	27,790	17,531	56,545	34,928	13,667	59,388	291,080	7,281
Average Premium - Renewal Cancellation	328.5	146.5	244.3	11,744.3	1,103.0	4,536.1	5,307.8	3,392.8	11,015.0	6,127.7	5,182.0	7,986.0	5,430.0	2,373.3
Exposure - Renewal Cancellation	2	4	3	3	1	9	5	5	5	6	3	7	54	3
Cancellation Rate - Renewal	0.56%	1.18%	0.89%	0.90%	0.23%	2.83%	1.61%	1.62%	1.64%	1.87%	0.86%	2.43%	1.38%	1.05%
Gross Earned Premium	266,730	269,090	259,964	234,017	256,570	256,195	289,471	265,083	304,626	321,965	383,844	358,412	3,465,965	430,526
Gross Earned Premium - New	56,038	53,830	45,255	45,920	49,653	79,952	108,382	76,138	85,818	81,990	86,227	106,495	875,699	122,101
Gross Earned Premium - Renewal	210,692	215,260	214,709	188,096	206,917	176,243	181,089	188,944	218,807	239,974	297,617	251,917	2,590,266	308,425
Net Earned Premium	261,946	264,982	256,754	233,225	254,513	252,217	288,839	262,578	297,994	315,355	378,490	344,810	3,411,701	428,314
Total Reinsurance Premium	4,783	4,108	3,210	792	2,057	3,978	632	2,505	6,631	6,610	5,354	13,602	54,264	2,212
Proportional RI	1,572	2,004	1,566	386	1,004	1,941	308	1,222	3,235	3,225	2,612	6,636	25,712	1,079
Proportional RI Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Non-proportional RI	1,572	13	10	3	7	13	2	8	21	21	17	43	1,728	7
Non-proportional RI Rate	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.00%
Facultative RI	68	87	68	17	43	84	13	53	140	139	113	287	1,111	47
Facultative RI Rate	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%
Terrorism Levy	1,572	2,004	1,566	386	1,004	1,941	308	1,222	3,235	3,225	2,612	6,636	25,712	1,079
Terrorism Levy Rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%

Current owner: wilcox

The power of the *Insurance Product Profitability Performance Blueprint* lies in its ability to allow initiative and difference initiative planning.

Initiative Planning allows for up to five initiatives to be planned by product lines or brands. All elements that are present in the Business-as-Usual tab are incorporated here as well, providing the user with a fast, accurate forecast of the financial impact of proceeding with one or more initiatives. As noted above, an initiative begins with a clean slate—not the business-as-usual forecast—and the end user defines the desired result. This is distinct from a *difference initiative*, defined below.

Initiatives

Initiatives													Difference Initiatives		Balance Sheet Initiatives		Difference Initiatives Variance		Earned Premium Calc Initiatives		Incurred Claims Initiatives		Claim Payment Table Initiatives	
Commercial Motor - Fleet													Yes		Initiative 1		AMP							
Description	Enable	Jul-06	Initiative 1	Initiative 2	Initiative 3	Initiative 4	Initiative 5	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	FY 2007	Jul-07							
Enable?	Yes																							
Enable (Hide)	1	1															12							
Enable (Format Hide)	Yes	Yes						Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes								
Gross Written Premium	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,800,000	400						
Total Exposure	0	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200							
GWP - New	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,800,000	400						
Exposure - New (Net)	0	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200							
Premium - New	0	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	4,800,000	400						
Average Premium - New	0.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4,000.0	4						
Exposure - New	0	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100							
Endorsement Premium - New	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Average Premium - New Endorsement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Exposure - New Endorsement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Endorsement Rate - New	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
Cancellation Premium - New	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Average Premium - New Cancellation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Exposure - New Cancellation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Cancellation Rate - New	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
GWP - Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Exposure - Renewal (Net)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Premium - Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Average Premium - Renewal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Exposure - Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Exposure - New Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Offered - New Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Lapse Premium - New Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Lapse Exposure - New Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Lapse Rate - New Renewal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
Exposure - Renewal Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Offered - Renewal Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Lapse Premium - Renewal Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Lapse Exposure - Renewal Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Lapse Rate - Renewal Renewal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
Endorsement Premium - Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Average Premium - Renewal Endorsement	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Exposure - Renewal Endorsement	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Endorsement Rate - Renewal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
Cancellation Premium - Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Average Premium - Renewal Cancellation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Exposure - Renewal Cancellation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0							
Cancellation Rate - Renewal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
Gross Earned Premium	0	16,986	50,959	82,192	118,904	147,945	186,849	220,822	230,137	288,767	312,329	356,712	378,082	378,082	2,390,685	406								
Earned Premium - New (Daily Adjust)	0	16,986	50,959	82,192	118,904	147,945	186,849	220,822	230,137	288,767	312,329	356,712	378,082	378,082	2,390,685	40								
Earned Premium - Renewal (Daily Adjust)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
Gross Earned Premium - New	0	16,986	50,959	82,192	118,904	147,945	186,849	220,822	230,137	288,767	312,329	356,712	378,082	378,082	2,390,685	406								
Gross Earned Premium - Renewal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
Net Earned Premium	0	16,986	50,959	82,192	118,904	147,945	186,849	220,822	230,137	288,767	312,329	356,712	378,082	378,082	2,390,685	406								
Total Reinsurance Premium	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
Proportional RI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0								
Proportional RI Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								

The **Difference Initiatives** tab highlights initiatives in which users modify the current business-as-usual forecast and then calculate what would need to take place to accomplish that objective.

Difference Initiatives

Initiatives	Difference Initiatives	Diff Initiatives Movements	Difference Initiatives Variance	Balance Sheet Initiatives	Payment Pattern	Premium Spre			
Commercial Motor - Fleet	Initiative 1								
	Enable	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07
Description	Enable?	1	1	1	1	1	1	1	1
Enable (Hide)	Yes	1	1	1	1	1	1	1	1
Enable (Format Hide)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Y
Gross Written Premium	0	319,271	400,820	313,252	77,282	200,756	388,143	61,686	244,4
Total Exposure	0	31	47	51	14	21	7	(1)	
GWP - New	0	7,527	22,311	87,595	80,555	48,804	340,670	56,872	23,9
Exposure - New (Net)	0	1	5	11	6	3	8	2	
Premium - New	0	5,000	18,249	84,925	77,133	43,650	320,906	22,675	16,0
Average Premium - New	0.0	5,000.0	3,649.8	7,720.5	12,855.5	14,550.0	40,113.3	11,337.5	8.02
Exposure - New	0	1	5	11	6	3	8	2	
Endorsement Premium - New	0	2,527	4,062	2,670	3,422	5,154	19,764	34,197	7.9
Average Premium - New Endorsement	0.0	177.9	264.9	419.2	332.3	725.6	1,918.8	4,952.4	83
Exposure - New Endorsement	0	14	15	6	10	7	10	7	
Endorsement Rate - New	0.00%	20.59%	22.22%	9.23%	14.93%	10.29%	14.93%	9.21%	12.3
Cancellation Premium - New	0	0	0	0	0	0	0	0	
Average Premium - New Cancellation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Exposure - New Cancellation	0	0	0	0	0	0	0	0	
Cancellation Rate - New	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0
GWP - Renewal	0	311,744	378,508	225,658	(3,273)	151,952	47,473	4,814	220,4
Exposure - Renewal (Net)	0	30	42	40	8	18	(1)	(3)	
Premium - Renewal	0	313,970	377,093	223,187	29,486	155,310	85,125	35,839	228,2
Average Premium - Renewal	0.0	9,793.6	8,134.2	5,178.6	2,658.5	8,058.5	10,047.1	15,204.4	15.21
Exposure - Renewal	0	32	46	43	11	19	8	2	
Exposure - New Renewal	0	3	8	7	2	2	1	0	
Offered - New Renewal	0	3	8	7	2	2	2	0	
Lapse Premium - New Renewal	0	0	0	0	0	0	8,737	0	
Lapse Exposure - New Renewal	0	0	0	0	0	0	1	0	
Lapse Rate - New Renewal	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	43.48%	25.00%	0.0

The **Profit-and-Loss Statement** is the recipient of the revenue, expenses, and claims planning that has been described to this point, across all scenarios—**Business as Usual**, **Initiatives**, and **Difference Initiatives**. This tab allows the user to compare the financial consequences of the multiple scenarios quickly and easily, resulting in a decision on the best course of action.

Like the **BAU**, **Initiative**, and **Difference Initiative** tabs, the **Profit-and-Loss** tab combines the revenue information with the expenses and claims to forecast the operating profit for the business segment, product line, product or brand. The profit-and-loss statement also includes a number of Key Performance Indicators (KPIs), allowing the business segment or product manager to track important pieces of information.

Note that there are both a profit-and-loss statement and a consolidated profit-and-loss statement. The **Profit-and-Loss** tab deals with the current forecast only, whereas the **Consolidated Profit-and-Loss** tab shows the current forecast alongside two years of history and forecast, the budget, and the previous forecast.

Profit and Loss

	Incurring Claims	Claim Payment Table	BAU	Profit & Loss	Balance Sheet	Consolidated Profit & Loss(000)	Cl
	Local Currency		Jul-06			Commercial Motor - Fleet	AMP
	BAU	Selected Initiatives	Total Forecast	Target	Gap		
Gross Written Premium	314,371	404,900	719,271	0	719,271		
Total Exposure	31	101	132	0	132		
GWP - New	2,627	404,900	407,527	0	407,527		
Exposure - New (Net)	1	101	102	0	102		
Premium - New	100	404,900	405,000	0	405,000		
Average Premium - New	100.0	4,008.9	3,970.6	0.0	3,970.6		
Exposure - New	1	101	102	0	102		
Endorsement Premium - New	2,527	0	2,527	0	2,527		
Average Premium - New Endorsement	177.9	0.0	177.9	0.0	177.9		
Exposure - New Endorsement	14	0	14	0	14		
Endorsement Rate - New	20.59%	0.00%	20.59%	0.00%	20.59%		
Cancellation Premium - New	0	0	0	0	0		
Average Premium - New Cancellation	0.0	0.0	0.0	0.0	0.0		
Exposure - New Cancellation	0	0	0	0	0		
Cancellation Rate - New	0.00%	0.00%	0.00%	0.00%	0.00%		
GWP - Renewal	311,744	0	311,744	0	311,744		
Exposure - Renewal (Net)	30	0	30	0	30		
Premium - Renewal	313,970	0	313,970	0	313,970		
Average Premium - Renewal	9,793.6	0.0	9,793.6	0.0	9,793.6		
Exposure - Renewal	32	0	32	0	32		
Exposure - New Renewal	3	0	3	0	3		
Offered - New Renewal	3	0	3	0	3		
Lapse Premium - New Renewal	0	0	0	0	0		
Lapse Exposure - New Renewal	0	0	0	0	0		
Lapse Rate - New Renewal	0.00%	0.00%	0.00%	0.00%	0.00%		
Exposure - Renewal Renewal	29	0	29	0	29		
Offered - Renewal Renewal	38	0	38	0	38		
Lapse Premium - Renewal Renewal	87,566	0	87,566	0	87,566		
Lapse Exposure - Renewal Renewal	9	0	9	0	9		
Lapse Rate - Renewal Renewal	23.53%	0.00%	23.53%	0.00%	23.53%		
Endorsement Premium - Renewal	(1,609)	0	(1,609)	0	(1,609)		
Average Premium - Renewal Endorsement	(190.6)	0.0	(190.6)	0.0	(190.6)		
Exposure - Renewal Endorsement	8	0	8	0	8		
Endorsement Rate - Renewal	2.52%	0.00%	2.52%	0.00%	2.52%		
Cancellation Premium - Renewal	617	0	617	0	617		
Average Premium - Renewal Cancellation	328.5	0.0	328.5	0.0	328.5		
Exposure - Renewal Cancellation	2	0	2	0	2		
Cancellation Rate - Renewal	0.56%	0.00%	0.56%	0.00%	0.56%		
Gross Earned Premium	266,730	16,986	283,716	0	283,716		
Earned Premium - New (Daily Adjust)	53,511	16,986	70,497	0	70,497		
Earned Premium - Renewal (Daily Adjust)	212,918	0	212,918	0	212,918		
Gross Earned Premium - New	56,038	16,986	73,024	0	73,024		
Gross Earned Premium - Renewal	210,692	0	210,692	0	210,692		
Net Earned Premium	261,946	10,825	272,772	0	272,772		
Total Reinsurance Premium	4,783	6,161	10,944	0	10,944		
Proportional RI	1,572	2,025	3,596	0	3,596		
Proportional RI Rate	0.50%	0.50%	1.00%	0.00%	1.00%		
Non-proportional RI	1,572	2,025	3,596	0	3,596		
Non-proportional RI Rate	0.50%	0.50%	1.00%	0.00%	1.00%		
Facultative RI	68	87	155	0	155		
Facultative RI Rate	0.02%	0.02%	0.04%	0.00%	0.04%		
Terrorism Levy	1,572	2,025	3,596	0	3,596		

Consolidated Profit and Loss

BAU	Profit & Loss	Balance Sheet	Consolidated Profit & Loss(000)			Claim Projections(Step 1)(Hide)	Claim Projections(Step 2)(Hide)	Claim Projections(Step 3)(Hide)	Technical Parameters
Corporate Standard		Commercial Motor - Fleet							
	H1 2007 Forecast	H2 2007 Forecast	Total 2007 Forecast	pcp H1 2007 Forecast	pcp H2 2007 Forecast	pcp Total 2007 Forecast	H1 2007 Forecast vs Budget		
Gross Written Premium	21,691	43,239	64,930	12.81%	6.20%	8.32%	2,598		
Gross Earned Premium	19,287	26,341	45,628	3.54%	7.60%	5.85%	977		
Total Reinsurance Premium	25	36	61	32.77%	0.30%	11.62%	6		
Net Earned Premium	19,261	26,305	45,567	3.51%	7.61%	5.84%	691		
Gross Incurred Claims	145	320	465	0.30%	0.30%	0.30%	1		
Total Reinsurance Recoveries	0	0	0	0.00%	0.00%	0.00%	0		
Claims Provision Releases	0	0	0	0.00%	0.00%	0.00%	0		
Claims Handling Expense	0	0	0	0.30%	0.30%	0.30%	0		
Net Incurred Claims	0	0	0	0.30%	0.30%	0.30%	0		
Total Acquisition Costs	(237)	865	628	0.05%	0.30%	0.40%	(2)		
Net Commissions	(59)	829	770	(0.71%)	0.30%	0.38%	0		
Net Other Acquisition Costs	(178)	36	(142)	0.30%	0.30%	0.30%	(2)		
Management Expenses	30	540	630	0.30%	0.30%	0.30%	1		
Total Operating Expenses	(147)	1,405	1,258	(0.11%)	0.30%	0.35%	(1)		
Net Underwriting Result	19,254	24,580	43,844	3.51%	8.16%	6.07%	839		
Investment Income on Technical Reserve	540	720	1,260	0.30%	0.30%	0.30%	7		
Market Rate Adjustments	0	0	0	0.00%	0.00%	0.00%	0		
Insurance Trading Result (ITR)	19,804	25,308	45,113	3.42%	7.92%	5.90%	846		
Insurance Trading Result (excl LT releases)	19,804	25,308	45,113	3.42%	7.92%	5.90%	846		
Other Income Managed Funds	0	0	0	0.00%	0.00%	0.00%	0		
Other Income Joint Ventures	0	0	0	0.00%	0.00%	0.00%	0		
Investment Income on Shareholders' Funds	0	0	0	0.00%	0.00%	0.00%	0		
Operating Profit Before Tax and Funding	19,804	25,308	45,113	3.42%	7.92%	5.90%	846		
Sub Debt Charge	0	0	0	0.00%	0.00%	0.00%	0		
Operating Profit Before Tax	19,804	25,308	45,113	3.42%	7.92%	5.90%	846		
GWP Growth pcp	0.44%	4.63%	3.23%	0.30%	0.30%	(1.40%)	0.00%		
RI Expense Ratio	0.01%	0.01%	0.01%	0.30%	0.30%	0.23%	0.00%		
Average Premium	431	595	540	0.25%	0.32%	(0.10%)	4		
Average Premium Growth pcp	0.41%	1.60%	1.10%	0.28%	0.28%	0.30%	0.00%		
Inforce	9	9	9	0.30%	0.30%	0.28%	0		
Retention Rate	1.32%	1.25%	1.28%	0.30%	0.30%	0.63%	0.01%		
Gross Loss Ratio	0.00%	0.00%	0.00%	0.30%	0.30%	(0.43%)	0.00%		
Net Loss Ratio	0.00%	0.00%	0.00%	0.30%	0.30%	(0.43%)	0.00%		
CHE Ratio	0.00%	0.00%	0.00%	0.30%	0.30%	0.30%	0.00%		
Acquisition Expense Ratio	0.00%	0.17%	(0.05%)	0.30%	0.30%	0.30%	0.00%		
Management Expense Ratio	0.05%	0.21%	0.13%	0.30%	0.30%	0.30%	0.00%		
Total Expense Ratio	(0.01%)	0.05%	0.03%	(3.50%)	(6.79%)	(5.19%)	0.00%		
Combined Operating Ratio	(0.01%)	0.05%	0.03%	(3.50%)	(6.79%)	(5.19%)	0.00%		
ITR Margin	1	1	1	(0.09%)	0.29%	0.05%	0		
ITR Margin (Ex LT releases)	1	1	1	(0.09%)	0.29%	0.05%	0		

In addition to the Profit and Loss Statement, the *Blueprint* also provides a Balance Sheet that can be viewed by any of the three states – Business As Usual, Initiatives, and Difference Initiatives. The Balance Sheet tab provides a forecast of key items such as reserves, provisions and margins, allowing the user to assess which course of action is best.

Balance Sheet

BAU	Profit & Loss	Balance Sheet	Consolidated Profit & Loss(000)			Claim Projections(Step 1)(Hide)	Claim Projections(Step 2)(Hide)	Claim Projections(Step 3)(Hide)	Technical Parameters					
Local Currency		Commercial Motor - Fleet		AMP		BAU								
	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Fiscal 07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
Total Tech Reserves	1,796,129	1,581,295	1,539,961	1,880,828	2,192,343	2,335,819	3,276,054	3,276,054	3,075,623	2,986,966	3,007,997	2,681,366	2,435,508	2
Total Claims Provisions	4,253	6,874	8,069	8,334	8,569	9,756	8,037	8,037	10,691	12,788	14,047	16,347	17,836	
Net OSC Provision (no FM or CHE)	4,248	6,867	8,060	8,325	8,560	9,745	8,029	8,029	10,679	12,774	14,032	16,329	17,817	
CHE Reserve	1	1	1	1	1	1	1	1	2	2	2	2	3	
Prudential Margin	4	6	8	8	8	9	8	8	10	12	13	15	17	
Additional Prudential Margin	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Other Provisions	1,791,876	1,574,421	1,531,892	1,872,494	2,183,774	2,326,063	3,268,017	3,268,017	3,064,932	2,974,178	2,993,950	2,665,019	2,417,671	2
UPR	1,832,600	1,610,263	1,566,708	1,915,050	2,233,405	2,378,528	3,342,290	3,342,290	3,134,590	3,041,773	3,061,994	2,725,587	2,472,619	
Premium Debtors	0	0	0	0	0	0	0	0	0	0	0	0	0	
Premium Debtors Rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
DAC - Commissions	20,362	17,891	17,408	21,278	24,816	26,433	37,137	37,137	34,829	33,797	34,022	30,284	27,474	
DAC - Commissions (Initiatives)	0	0	0	0	0	0	0	0	0	0	0	0	0	
DAC - Commissions / UPR	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	
DAC - Commissions / UPR (# Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
DAC - Commissions / UPR (Trend)	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	
DAC - Other Acquisition Costs	20,362	17,891	17,408	21,278	24,816	26,433	37,137	37,137	34,829	33,797	34,022	30,284	27,474	
DAC - Other Acquisition Cost (Initiatives)	0	0	0	0	0	0	0	0	0	0	0	0	0	
DAC - Other Acquisition / UPR	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	
DAC - Other Acquisition / UPR (# Adj)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
DAC - Other Acquisition / UPR (Trend)	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	1.11%	
Prudential Margin ratio	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%	
DAC - Commissions Movement	20,362	(2,471)	(483)	3,870	3,537	1,617	10,704	10,704	(2,308)	(1,031)	225	(3,738)	(2,811)	
DAC - Other Acquisition Costs Movement	20,362	(2,471)	(483)	3,870	3,537	1,617	10,704	10,704	(2,308)	(1,031)	225	(3,738)	(2,811)	
Investment Income on Tech Reserves	8,743	7,587	7,436	9,155	10,671	11,370	15,946	114,299	14,971	14,539	14,642	13,052	11,855	
Investment Income Rate	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	0.43%	5.84%	0.43%	0.43%	0.43%	0.43%	0.43%	
Movement in OS Claims Reserve	1,298	2,619	1,194	265	225	1,185	(1,717)	8,029	2,650	2,895	1,258	2,298	1,468	
Movement in Prudential Margin	1	2	1	0	0	1	(2)	8	2	2	1	2	1	
Movement in CHE Reserve	0	0	0	0	0	0	0	1	0	0	0	0	0	

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