Manage Auto Preemption

Background Information

A preemption occurs when a *change* transaction is created on an existing policy and, **before it is bound**, a second transaction is started. The critical issue is two transactions have been started from the same base period. Only one of those transactions can be bound. When one of them is bound, it will force additional work for the other transaction, because the base period has been changed.

For preemptions, the effective date of the second transaction is not significant. The fact the second transaction has been started before the first transaction was bound is what is significant.

In Brief

In this example, a policyholder called and wants to know what the impact to his premium would be if the Comprehensive and Collision deductibles were increased to 1,000, effective 04/01/2022. The change is made, but the policy change is not bound, as the policyholder wants to think about the change for a while before binding it. This creates an open Policy Transaction on the policy.

Later that week, the policyholder called and requested to update the limits on this policy to 500/500, effective immediately. The second transaction triggers a preemption because there is a pending, open Policy Transaction already on the policy. This quick card walks through applying the second change and how to handle the preemption.
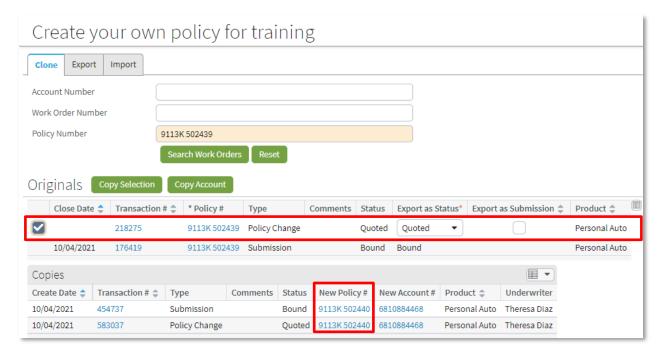
Quick Card

IMPORTANT: This is a test environment. The next seven (7) steps are ONLY used in the VTO.

Clone the Policy

1. Click the down arrow to the right of the **Training** button on the **Tab Bar**. Select "**Create your own policy for training**" from the drop-down menu.
2. Enter "9113K 502399" in the **Policy Number** field exactly as it is shown, including spaces and capital letters.
3. Click the **Search Work Orders** button.
4. In the *Originals* section, click the checkbox to the left of the **Policy Change** Policy Transaction Type for the policy being cloned. In this example, select the checkbox to the left of Policy Transaction #583077.

5. Click the **Copy Selection** button.

   Note: If the *Copies* section does not automatically populate, click on the **Search** tab, then back on the **Training** tab. The clone information should be visible.

6. Scroll down, if necessary, to the *Copies* section.

7. Click the link in the **New Policy #** column for the Quoted policy change.

IMPORTANT: PolicyCenter automatically created a **New Account #**. The new account is linked to the *cloned* policy, not the original. The cloned policy opens on the policy *Summary* screen.

Summary screen

8. Scroll down to review the pending change order, in the *Pending Policy Transactions* section of the *Summary* screen.
9. Click the **Actions** button.
10. Select "**Change Policy**" from the drop-down menu.

NOTE: If an open work order exists for the current period, PolicyCenter displays the following warning message: *"This policy has another work order in progress. Please review the Summary Screen to confirm this is not a duplicate change."*

Start Policy Change screen

1. Enter a date prior to 04/01/2022 in the **Effective Date** field.
2. Click the **Next >** button.

Policy Info screen

3. Click the **Coverages** link.

Coverages screen

4. In the *Vehicle Level Coverages* section, select the following information:
   - **Bodily Injury**: 500/500
   - **Property Damage**: 500,000
   - **Uninsured Motorist BI**: 500/500
   - **Underinsured Motorist BI**: 500/500

5. Click the **Quote** button.

IMPORTANT: This is a test environment. This data is not valid. The VTO is not connected to the rating system, but in production, you will see the correct premium.

6. Click the **Quote** link.

Quote screen

7. Review the information on the *Quote* screen.
8. Click the **Issue Change** button.
9. Click the **OK** button.

Policy Change Bound screen

10. Click the **Your Policy Change preempted Policy Change #XXXX, view that policy transaction** link.

Policy Info screen

NOTE: PolicyCenter displays the message, *"Your Policy Change was preempted by Policy Change XXXX Effective MM/DD/YYYY. You will need to handle these preemptions before continuing."*

11. Click the **Handle Preemption** button.

Handle Preemptions screen

NOTE: PolicyCenter displays the message, *"Your Policy Change was preempted by the transactions below. Please view these changes and decide whether to continue your Policy Change with these changes applied or to withdraw your Policy Change."*

NOTE: Options to handle the preemption include:
- **Apply All Changes** – allows you to accept all the changes proposed in the Work Order.
- **Withdraw** – allows you to withdraw the pending Work Order and let the preempted changes supersede these changes.
- **Decide Later** – allows you to decide later if the changes in the open Work Order should be superseded.

12. In this example, select the **Apply All Changes** button.

Policy Info screen

13. Click the **Quote** button to quote the preempted change.

Quote screen

14. Click the **Issue Change** button to issue the preempted change.
15. Click the **OK** button.

Policy Change Bound

Note: The system displays the message, *"Your Policy Change (#XXXX) has been bound."*