



Manage Property 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 here is that 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 Quick Card, a policyholder called and wants to know what the impact to his premium would be if Water Backup Coverage, with a limit of 25,000 was added effective 11/21/2021. 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 Work Order on the policy.

Then a week later, the policyholder called and requests to increase the All Peril and Wind & Hail deductibles. The second transaction triggers a preemption because there is a pending, open Work Order already on the policy.

Log in to the [VTO](#) using the appropriate generic user account from the **VTO Information Guide** document.

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 "9113HR001423" 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** Work Order Type for the policy being cloned. In this example, select the checkbox to the left of Quoted Work Order #770620.

Create your own policy for training

Clone Export Import

Account Number

Work Order Number

Policy Number

Search Work Orders Reset

Originals Copy Selection Copy Account

	Close Date	Transaction #	* Policy #	Type	Comments	Status	Export as Status*	Export as Submission	Product
<input checked="" type="checkbox"/>		770620	9113HR001423	Policy Change		Quoted	Quoted	<input type="checkbox"/>	Personal Property
	05/04/2021	647413	9113HR001423	Submission		Bound	Bound		Personal Property

Copies

Create Date	Transaction #	Type	Comments	Status	New Policy #	New Account #	Product	Underwriter
05/04/2021	808992	Submission		Bound	9113HR001424	8510160061	Personal Property	Monica Geller
05/04/2021	982313	Policy Change		Quoted	9113HR001424	8510160061	Personal Property	Monica Geller

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.

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 transaction in the *Pending Policy Transaction* 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

11. Enter a date prior to 11/15/2021 in the **Effective Date** field.
12. Click the Next > button.

Policy Info screen

13. Click the **Coverages** link.

Coverages screen

14. Select “2,500” from the **All Peril** drop-down list.
15. Select “5,000” from the **Wind & Hail** drop-down list.
16. 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.

Quote screen

17. Click the Issue Change button.
18. Click the OK button.

Policy Change Bound screen

19. From the *Policy Change Bound* screen, click the **Your Policy Change preempted Policy Change #XXXX**, view that work order link.

Quote 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.*”

20. 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."*

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.

21. Click the **Apply All Changes** button.

22. Click the **OK** button.

Quote screen

23. Click the **Quote** button

24. Click the **Issue Change** button.

25. Click the **OK** button.

Policy Change Bound screen

PolicyCenter displays the message, *"You Policy Change (#XXXX) has been bound."*