

## NOTES ABOUT NOBL REPORTS

For a better understanding of the NOBL reporting system one would be advised to read these NOTES before reviewing them.

1. NOBL technology is policy-driven; all current systems, such as AMS or Applied Systems are GL-based and therefore are invoice-driven. The policy-driven concept is necessary in premium management because the insurance policy is the product agencies sell to insureds. Everything revolves around the policy: underwriting, premium quote, payments, endorsements, claims, etc.

Policy financial solvency is also related to the policy. Policy financial solvency is not an option but rather a mandate that is part of insurance broker's fiduciary obligations. To determine a policy financial solvency a policy-driven accounting system is required. NOBL new technology is based on a new accounting system, different from GL accounting; we referred to this system as TL (trust ledger) accounting. All financial solvency statements are generated at the policy level and then aggregated as needed at the client, carrier and agency levels.

2. Consistent with the policy-driven management concept, NOBL system generates Account Details to enable agency managers to monitor the policy activity and take remedial action when necessary. Attached to this email are the following Account Details:

- Policy Premium
- Billing Detail (monitors policy billing and payment process)
- Bank Deposits
- Agency Commission
- Co. Remittance
- Return Premium
- Direct Bill Commission

3. Financial Statements attached to this email include only premium funds; they are therefore separate from the agency business financial statements (P&L Statement, Balance Sheet). In addition to the benefit of having premium funds adequately managed, the NOBL system offers agency an additional advantage. In dealing with DOI auditors, agencies need not disclose their business financial information to auditors as they are only interested in trust account funds. The following reports are attached:

- Solvency Analysis
- Balance Sheet (premium assets and liabilities only)
- Statement of Premium Receipts & Disbursements (to determine premium float and verify the solvency of trust bank account balance)
- Premium Funds Beneficiaries Statement (to determine the owners of the trust account balance)
- Audit Trails, samples TL 101, 210)

4. Agency Commission is calculated and reported based (1) on sales and (2) premium receipts. Three reports are attached:

- Agency Commission Income (based on sales)
- Agency Commission Graph
- Monthly Statement of Agency Commission & Fees (based on premium invoice, payments and return premium)

5. To help determine the agency producer commission, NOBL makes available Producer Commission reports. One is included:
  - Producer Commission Summary
6. Agency production is reported to help managers determine production levels between specified dates, agency bill vs. direct bill ratio, etc. Two sample reports are attached:
  - Production Report (including separate reporting for agency bill and direct bill accounts, reports by producers, by CSRs, by carrier)
  - Production Graph
  - Agency Bill vs. Direct Bill Graph
7. This a limited sample of the NOBL reporting system. More than 75 different daily management and financial reports are currently available. More could be added if clients requested them.

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