

# ClariNet 1.20 Release Notes

## 1. Overview

- Allow NAIC Number for Carrier in XML import
- Policy Owner Type
- Case lists: Sent and Received
- Case lists: Closing Transactions
- Case Merging
- Treatment of First Premium Payment in Illustration
- Ability to change the COI curve and layout improvement
- Changes to IRR calculations on Portfolio Valuation page
- Pricing improvements
- Add Page Count and Size to documents
- Improve readability of XML import errors
- Known Issues

### 1. Allow NAIC Number for Carrier in XML import

```
<Case xmlns="http://schemas.clearlifeld.com/clarinet/standard/v1.0">
  <Id>Test Case 2</Id>
  <ReferencePolicy>
    <IssueDate>1999-04-14T00:00:00</IssueDate>
    <Carrier>66842</Carrier>
    <IssueState>US-NY</IssueState>
    <LapseOnCSV>true</LapseOnCSV>
    <AgeBasis>ANB</AgeBasis>
  </ReferencePolicy>
</Case>
```

|   | Case Reference | Carrier                    |
|---|----------------|----------------------------|
| + | Test Case 2    | AIG Life Insurance Company |

## 2. Policy Owner Type

The Policy Owner Type is now captured as a separate entry. Please note that this does not create an entry in the CRM automatically anymore.

**Case Setup Form**

**Case Information**

\* Case Reference

Owner Type

State of Ownership

**Policy Information**

\* Policy Number



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## 3. Case lists: Sent and Received

The Case lists now show the Carrier, Policy Number and Face Amount.

There is also a +/- icon on each row which allows you to display the different transactions affecting the Policy:

- Sent Cases: the last 5 Submissions. You can always use the usual Bid Management page to see the complete list.
- Received Cases: for Cases received through ClariNet only. You will soon be able to use this functionality for Cases received from outside ClariNet.

### All Cases

| Case Reference   | Carrier                                     | Policy Number  | Face Amount | Last Status      | Status Date | Go |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
|--|---|----------------|-------------|------------------|-------------|----|----|------|------------|------|------------------|----|--------------------------|------------|---------------|------------|---|--|-------------------------|------------|----------------|------------|---|--|-----------------|------------|-------|------------|---|--|-----------------------|------------|-----|------------|---------|--|----------------------|------------|----------------|------------|---|--|
| case BBBBBBBBBB reimported   | AXA Equitable Life and Annuity Company      | PolBBBBb       | 1,000,000   | Declined         | 21/11/2011  |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| <b>Sent</b> Showing 5 Submissions out of 10. <a href="#">Go to Bid Management</a> <table border="1"> <thead> <tr> <th>To</th> <th>Sent</th> <th>Last Event</th> <th>Date</th> <th>Gross Price (\$)</th> <th>Go</th> </tr> </thead> <tbody> <tr> <td>All Financial Group, LLC</td> <td>21/11/2011</td> <td>Case Declined</td> <td>21/11/2011</td> <td>-</td> <td></td> </tr> <tr> <td>Abacus Settlements, LLC</td> <td>21/11/2011</td> <td>Case Withdrawn</td> <td>21/11/2011</td> <td>-</td> <td></td> </tr> <tr> <td>CMG Surety, LLC</td> <td>21/11/2011</td> <td>Query</td> <td>21/11/2011</td> <td>-</td> <td></td> </tr> <tr> <td>Berkshire Settlements</td> <td>21/11/2011</td> <td>Bid</td> <td>21/11/2011</td> <td>100,000</td> <td></td> </tr> <tr> <td>Maple Life Financial</td> <td>21/11/2011</td> <td>Case Submitted</td> <td>21/11/2011</td> <td>-</td> <td></td> </tr> </tbody> </table> |   |                |             |                  |             |    | To | Sent | Last Event | Date | Gross Price (\$) | Go | All Financial Group, LLC | 21/11/2011 | Case Declined | 21/11/2011 | - |  | Abacus Settlements, LLC | 21/11/2011 | Case Withdrawn | 21/11/2011 | - |  | CMG Surety, LLC | 21/11/2011 | Query | 21/11/2011 | - |  | Berkshire Settlements | 21/11/2011 | Bid | 21/11/2011 | 100,000 |  | Maple Life Financial | 21/11/2011 | Case Submitted | 21/11/2011 | - |  |
| To   | Sent  | Last Event     | Date        | Gross Price (\$) | Go          |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| All Financial Group, LLC   | 21/11/2011                                  | Case Declined  | 21/11/2011  | -                |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| Abacus Settlements, LLC  | 21/11/2011                                  | Case Withdrawn | 21/11/2011  | -                |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| CMG Surety, LLC  | 21/11/2011                                  | Query          | 21/11/2011  | -                |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| Berkshire Settlements  | 21/11/2011                                  | Bid            | 21/11/2011  | 100,000          |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| Maple Life Financial   | 21/11/2011                                  | Case Submitted | 21/11/2011  | -                |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| <b>Received</b>  |   |                |             |                  |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| <i>No entries</i>  |   |                |             |                  |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| Test Case  | AIG Life Insurance Company                  | NY2017579B     | 1,000,000   | Bid Management   | 21/11/2011  |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
|  | Metropolitan Life Insurance Company         | ABC1234567890  | 250,000     | Open for Bidding | 21/11/2011  |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| <b>Sent</b>  |   |                |             |                  |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| <i>No entries</i>  |   |                |             |                  |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| <b>Received</b> Policy Received once only.   |   |                |             |                  |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
|  |   |                |             |                  |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
|  |   |                |             |                  |             |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| case BBBBBBBBBB  | AXA Equitable Life and Annuity Company      | PolBBBBb       | 1,000,000   | Redaction        | 21/11/2011  |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |
| Case 281903142   | The Lincoln National Life Insurance Company | Policy_385     | 100,000     | Redaction        | 14/11/2011  |    |    |      |            |      |                  |    |                          |            |               |            |   |  |                         |            |                |            |   |  |                 |            |       |            |   |  |                       |            |     |            |         |  |                      |            |                |            |   |  |



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## 4. Case lists: Closing Transactions

Another section appears in the Case List once a Bid has been accepted: Closing Transaction, where the Case progresses through the Case Closing Process. For Cases involving a buyer and a seller which are both on ClariNet, a Closing Transaction is displayed for each participant; however, only one participant controls the process as indicated at the time of accepting the Bid.

### Cases For Action

| Case Reference  | Carrier                                | Policy Number             | Face Amount | Last Status      | Status Date | Go |      |          |            |      |    |                           |            |              |            |  |      |          |                       |    |                           |            |                           |  |
|---|--|---------------------------|-------------|------------------|-------------|----|------|----------|------------|------|----|---------------------------|------------|--------------|------------|--|------|----------|-----------------------|----|---------------------------|------------|---------------------------|--|
| CaseFromVeris   | AXA Equitable Life and Annuity Company | PoiBBBBb                  | 1,000,000   | Bid Accepted     | 21/11/2011  |    |      |          |            |      |    |                           |            |              |            |  |      |          |                       |    |                           |            |                           |  |
| <p><b>Sent</b></p> <p>No entries</p> <p><b>Received</b> Policy Received once only.</p> <table border="1"> <thead> <tr> <th>From</th> <th>Received</th> <th>Last Event</th> <th>Date</th> <th>Go</th> </tr> </thead> <tbody> <tr> <td>Veris Settlement Partners</td> <td>21/11/2011</td> <td>Bid Accepted</td> <td>21/11/2011</td> <td></td> </tr> </tbody> </table> <p><b>Closing Transactions</b></p> <table border="1"> <thead> <tr> <th>From</th> <th>Received</th> <th>Who does Case Closing</th> <th>Go</th> </tr> </thead> <tbody> <tr> <td>Veris Settlement Partners</td> <td>21/11/2011</td> <td>Life Settlement Solutions</td> <td></td> </tr> </tbody> </table> |  |                           |             |                  |             |    | From | Received | Last Event | Date | Go | Veris Settlement Partners | 21/11/2011 | Bid Accepted | 21/11/2011 |  | From | Received | Who does Case Closing | Go | Veris Settlement Partners | 21/11/2011 | Life Settlement Solutions |  |
| From  | Received                               | Last Event                | Date        | Go               |             |    |      |          |            |      |    |                           |            |              |            |  |      |          |                       |    |                           |            |                           |  |
| Veris Settlement Partners   | 21/11/2011                             | Bid Accepted              | 21/11/2011  |                  |             |    |      |          |            |      |    |                           |            |              |            |  |      |          |                       |    |                           |            |                           |  |
| From  | Received                               | Who does Case Closing     | Go          |                  |             |    |      |          |            |      |    |                           |            |              |            |  |      |          |                       |    |                           |            |                           |  |
| Veris Settlement Partners   | 21/11/2011                             | Life Settlement Solutions |             |                  |             |    |      |          |            |      |    |                           |            |              |            |  |      |          |                       |    |                           |            |                           |  |
| Case 274858006  | State Farm Life Insurance Company      | Policy_1426               | 1,000,000   | Open for Bidding | 07/11/2011  |    |      |          |            |      |    |                           |            |              |            |  |      |          |                       |    |                           |            |                           |  |

The Closing Process information is now grouped together in the Case Closing Summary. This is accessible via the View icon for the Closing Transaction.

### Case Closing Summary

Price Allocation | Case Participants | Contract Package | Document Verification | Case Closing

**Price Allocation**

| Recipient Type | Payment Type     | Organization/Individual | Payment Method | Amount \$      | % Gross Price | % Face Amount | Payment Date |
|----------------|------------------|-------------------------|----------------|----------------|---------------|---------------|--------------|
| Seller         | Compensation/Fee | A Seller                |                | 200,000        | 100           | 20            | 30/11/2011   |
| <b>Total</b>   |                  |                         |                | <b>200,000</b> | <b>100</b>    | <b>20</b>     |              |

DONE

## 5. Case Merging

In a similar fashion to Insured Consolidation, ClariNet now detects different Cases created for the same Policy, based on Carrier and Policy Number. This is done automatically when you click on the Progress button next to a Case with potential duplicates already in your ClariNet account. You can elect to merge the two Cases, to not merge the Cases (although note that ClariNet will thereafter treat the Cases as separate) or address the issue of merger another time (by clicking Cancel).

### Case Merging

The Cases listed below appear to reference the same Policy (NY2017579B) issued by the same Carrier (AIG Life Insurance Company) as this Case. You can elect to merge this Case with one of these other Cases by clicking the Next button below.

#### Cases With Matching Policy

| Received   | Owner             | Case Reference | Status    | Status Change Date | Face Amount | Insured(s)                      | Select                           | Comment  |
|------------|-------------------|----------------|-----------|--------------------|-------------|---------------------------------|----------------------------------|--|
| 21/11/2011 | Vida Capital Inc. | Test Case      | Redaction | 21/11/2011         | 1,000,000   | Anakin Skywalker, Padmé Amidala | <input checked="" type="radio"/> | Warning: Calculated/illustrated Premium Schedules will be removed from this case during merging. |

In case of data conflicts between the Cases, you can select the correct value by checking the appropriate radio button:

#### Merge Case 'Test Case 2' into existing Case 'Test Case'

##### Policy

|                             | Matches | Keep Existing                             | Replace With                            |
|-----------------------------|---------|---|---|
| Policy Number               | ✓       | NY2017579B                                |   |
| Carrier                     | ✓       | AIG Life Insurance Company                |   |
| Issue State                 | ✗       | Delaware <input checked="" type="radio"/> | New York <input type="radio"/>          |
| Percent Of Premium Charge   | ✗       | 0.065 <input type="radio"/>               | 0.064 <input checked="" type="radio"/>  |
| Per Policy Charge Frequency | ✗       | Monthly <input type="radio"/>             | Annual <input checked="" type="radio"/> |
| Maturity Age                | ✗       | 101 <input checked="" type="radio"/>      | 100 <input type="radio"/>               |

##### Primary Insured

|                        | Matches | Keep Existing                             | Replace With                                |
|------------------------|---------|---|---|
| Insured Identifier     | ✓       |   |   |
| First Name             | ✓       | Anakin                                    |   |
| Middle Name            | ✗       | <input checked="" type="radio"/>          | Luke <input type="radio"/>                  |
| Last Name              | ✓       | Skywalker                                 |   |
| Social Security Number | ✓       | 154-55-6489                               |   |
| Date Of Birth          | ✗       | 16/10/1923 <input type="radio"/>          | 17/10/1923 <input checked="" type="radio"/> |
| Gender                 | ✓       | M   |   |
| State Of Residence     | ✗       | New York <input checked="" type="radio"/> | New Mexico <input type="radio"/>            |

A few points to note about the Case merger process:

- All Documents, Illustrations, Underwriter Reports and Premium Schedules are automatically added.
- If you merge two Cases which have been entered or imported into ClariNet by you or someone else in your organization, the merger process will result in only a single Case being displayed in your account.
- If you merge Cases that have been sent to, or received from, other ClariNet subscribers, you will soon be able to display all Sent and Received Transaction under a single Case. This functionality is currently restricted: Cases received through ClariNet can be merged but Sent Cases cannot be merged.
- Existing Cases (i.e., created prior to the release of 1.20) cannot be merged into other existing Cases. New Cases (created after the release of 1.20) can be merged into existing Cases.

These restrictions will be progressively lifted in forthcoming releases.

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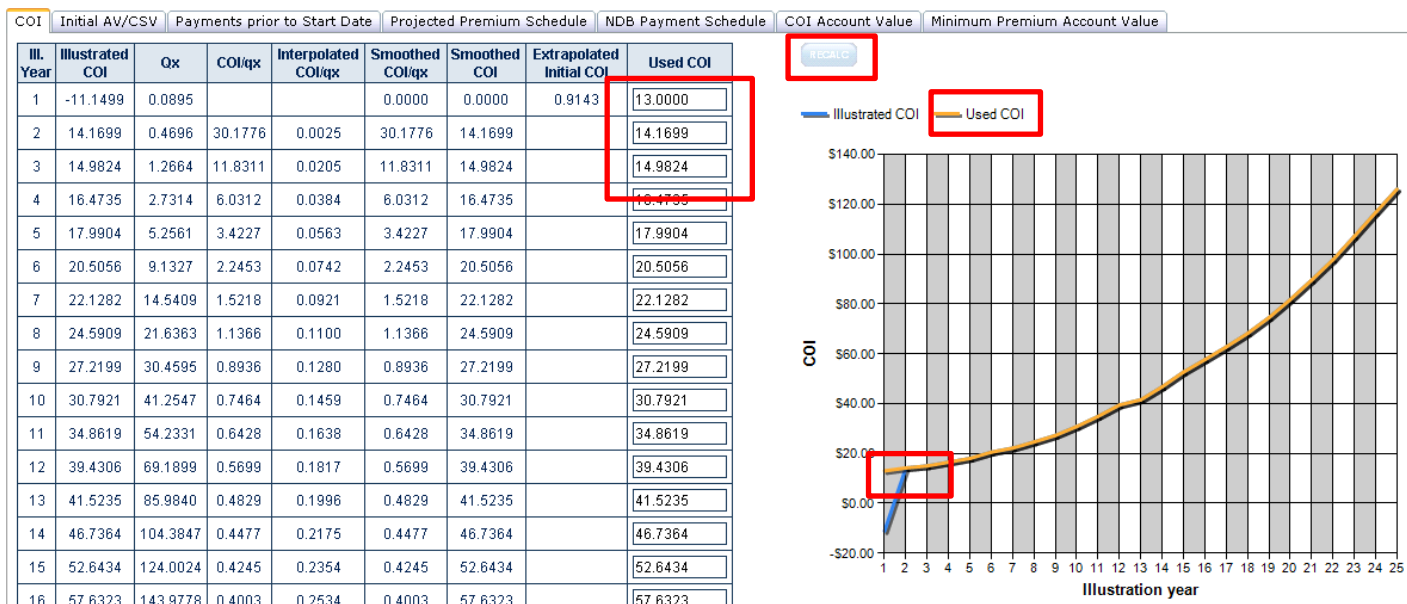
## 6. Treatment of First Premium Payment in Illustration

Before version 1.20, the first premium payment in an Illustration was always interpreted as an annualized amount. This meant that, depending on the payment frequency basis of the illustration and the date of the Illustration with respect to the policy anniversary, the actual premium paid could be less than the amount specified. In version 1.20, ClariNet adds an additional field on the illustration called **First Premium Is Annualized**. This value can be used to control how the first premium amount is paid when a Policy is priced.

A full explanation of this new functionality, together with examples, is contained in the FAQ section on ClariNet.

## 7. Ability to change the COI curve and layout improvement

You can now adjust the COI curve on the fly. All values in the Used COI column can be changed. After changing these values, click the RECALC button to redraw the graph. The Used COI values entered in this column are then deployed in calculating the optimised minimum Premium Schedule for the Case.



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## 8. Changes to IRR calculations on Portfolio Valuation page

Use the Cost Basis tab on the Case Summary page to enter Payment Information that will be used for valuing the Case as part of a Portfolio Valuation and shows the corresponding IRR.

**Case Summary**

Case Policy Insured Lives Illustrations Verifications of Coverage Documents Servicing Order Tracking and Follow Ups Pricing Settings Valuation Settings

Cost Basis Comments Premium Schedules Valuations Audit Log Anti-Fraud/Compliance

**Cost Basis**

**Payment Information**

| Recipient Type     | Payment Type     | Date | Amount \$      |
|--------------------|------------------|------|----------------|
| Seller             | Compensation/Fee |      | 500,000        |
| Broker             |                  |      | 10,000         |
| Provider           | Compensation/Fee |      | 20,000         |
| Carrier            | Lump Sum Premium |      | 15,500         |
| <b>Gross Price</b> |                  |      | <b>545,500</b> |

**DONE**

### Totals

| Scenario 1 | Scenario 2 | Scenario 3 | IRR     |
|------------|------------|------------|---------|
| 24,519,906 | 23,560,683 | 22,666,149 | 27.97 % |

### Results

| Case Reference     | NDB        | Used LE | Joint Life | Scenario 1 | Scenario 2 | Scenario 3 | IRR     |
|--------------------|------------|---------|------------|------------|------------|------------|---------|
| Extrapolation Demo | 10,000,000 | 93      | Y          | 5,211,085  | 4,981,529  | 4,766,008  |         |
| Dummy test case 2  | 10,000,000 | 37      | N          | 6,541,817  | 6,364,229  | 6,194,485  | 30.74 % |
| Dummy test case 3  | 5,000,000  | 96      | N          | 1,578,526  | 1,489,392  | 1,407,872  | 20.87 % |
| Dummy test case 4  | 5,000,000  | 79      | N          | 1,215,281  | 1,140,075  | 1,070,882  |         |

## 9. Pricing improvements

- Fixed: When Override of Premium Payments was set to "None", the Premium Calculator was generating an error.
- Fixed: Illustration parameter "Insured Age At The End Of The Policy Year" was ignored when checking the number of rows in an Illustration.
- Fixed: The initial AV/CSV assumptions stated in a Premium Calculator and on the Valuation page was displayed using a mixture of BOM/EOM.

## 10. Add Page Count and Size to documents

ClariNet now counts the number of pages in PDF documents and records the file size. This will allow for better storage management and more accurate billing, for example when ordering Fasano LE Reports which are billed by page number.

## 11. Improve readability of XML import errors

The Import wizard now displays errors in an easier to read bullet list format, removing XML “namespaces” to improve readability.

### Import Cases

| Select Cases             | Select cases to import  |
|--------------------------|---|
| <input type="checkbox"/> | <b>Case Reference</b>   |
| <input type="checkbox"/> | Extrapolation Demo  |
| <input type="checkbox"/> | Dummy test case 2   |
| <input type="checkbox"/> | This case has the following errors:   |
| <input type="checkbox"/> | <ul style="list-style-type: none"><li>• The 'UniversalReturnType' element is invalid - The value 'Non-Variable' is invalid according to its datatype 'UniversalReturnType' - The Enumeration constraint failed.</li><li>• The element 'ReferencePolicy' has incomplete content. List of possible elements expected: 'AgeBasis'.</li></ul> |
| <input type="checkbox"/> | Dummy test case 7   |

## 12. Known Issues

There are known issues, mainly affecting the display, in a ClariNet to ClariNet transaction when viewed by the Case Recipient:

- If you click the Stop button to archive the Case, it seems to disappear from all Cases lists. This is a display issue only: the Case data has not been lost.
- If you click the Play button next to the Case in a Cases list, the home page reloads and nothing appears to happen. This is a display issue only. To progress the Case, expand the Case view by clicking on the plus icon adjacent to the Case, and click the Play button against the relevant row in the Received section for this Case.
- If you place a Bid which is then declined by the Seller, the row in the Received Cases section correctly shows Bid Declined, but the Case Status in the Cases list incorrectly displays “Bidding Ended”. This is a display issue only. To bid again on the same Case, click the Play button on the relevant row in the Received Cases section.
- If the Buyer controls the Closing Process, it cannot be fully restarted. Only the Contract Package can be reset. This will be improved at the next minor release. Note that this does not affect Cases where the Closing Process is controlled by the Seller.

Note that these issues do not affect the Sender nor do they affect transactions involving External Case Recipients. These issues will be addressed in forthcoming releases.