Policy Administration

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1. Policy Administration Overview

🎯 Purpose

Policy Administration owns the lifecycle of the policy record after inception: mid-term adjustments, renewals processing, cancellations and reinstatements, and the integrity of policy data.

📊 Operational overview

Operational performance indicators

- Mid-term adjustment SLA: 2 working days
- Cancellation handling SLA: 1 working day
- Reinstatement completion target: same business day
- Renewal issuance target: 45 days before expiry
- Policy data discrepancy reviews tracked weekly

Continuous improvement priorities

- Reduce policy-record discrepancies causing claim disputes
- Improve reinstatement automation controls
- Enhance policy lifecycle reporting accuracy
- Strengthen root-cause analysis for operational defects
- Increase adoption of data-quality monitoring across processing teams

🧭 Core operational processes

Process	SLA
Mid-term adjustments	2 working days
Cancellation processing	1 working day, refund per policy terms
Reinstatements	Same day where premium received
Renewal invitations	Issued 45 days before expiry

🛡️ Governance and ownership

Function	Operational responsibility	Escalation ownership
Policy Administration	Lifecycle processing and policy record maintenance	Policy Administration Team Lead
Underwriting	Material risk review and referral decisions	Underwriting Operations Manager
Finance Operations	Broker-billed reconciliations and refund oversight	Finance Operations Lead
Compliance	Monitoring regulatory processing adherence	Compliance Manager

⚠️ Data integrity principle

The policy record is the single source of truth for cover. Any discrepancy between the policy schedule and the system record is a priority incident: cover disputes at claim time trace back to exactly this gap. Discrepancies found are logged and root-caused through the **Continuous Improvement** process.

⛔ **Control restriction**

Any discrepancy between issued schedules and the policy administration system must be treated as a priority operational incident and escalated immediately for remediation.

🔎 Evidence quality requirements

- Maintain complete processing evidence for all policy lifecycle transactions.
- Ensure refund, cancellation, and reinstatement approvals are auditable.
- Retain communication records supporting renewal issuance activities.
- Log recurring operational defects through the Continuous Improvement process.
- Monitor data corrections for systemic or training-related trends.

2. SOPs

2.1. Mid-term adjustments

🎯 Purpose

Procedure for processing changes to a live policy: cover changes, sum insured amendments, risk address changes, addition or removal of items.

Owner: Policy Administration Team Lead · **SLA:** 2 working days from complete instruction

📊 Operational overview

Key operational metrics

- SLA target: 2 working days from complete instruction
- First-time-right target: 97%
- Backdating exception review within 1 working day
- Queue aging escalation at 24 hours
- Underwriting referral turnaround monitored daily

Continuous improvement priorities

- Reduce endorsement rework linked to incomplete instructions
- Improve structured address validation rates
- Increase automation of premium adjustment notifications
- Monitor referral volumes by risk-change category
- Review recurring dispatch or document-generation failures

✅ Procedure

1. Validate the instruction source: policyholder directly, or intermediary holding a current mandate for the policy. Instructions from anyone else are refused and logged.
2. Confirm the change is within product rules. Changes that alter the risk materially (occupancy, use, construction) route to Underwriting via the referral SOP in **Underwriting Operations** before processing.
3. Calculate the premium effect from the effective date requested. Backdating beyond 30 days requires team lead approval and a file note explaining the reason.
4. Process the endorsement in the policy administration system; the system generates the endorsement schedule.
5. Where premium changes: confirm the collection adjustment is scheduled and, for broker-billed policies, notify **Finance Operations** so the statement run expects the movement.
6. Issue the endorsement documents to the client through their chosen channel; record dispatch.

⚠️ **Escalation requirement**

Material risk changes, extended backdating requests, or premium-impact disputes must be referred to Underwriting or the Policy Administration Team Lead before release.

🛡️ Governance and ownership

Function	Operational responsibility
Policy Administration	Validate instructions, process endorsements, and maintain evidence records
Underwriting	Review material risk changes and referral cases
Finance Operations	Manage broker-billed premium movement tracking
Compliance	Monitor adherence to delegated authority and audit requirements

⚠️ Key controls

- Sum insured increases above the threshold in the delegation matrix require four-eyes release.
- Bank detail changes on refunds follow the call-back verification control (same design as CTRL-D-11).

🔎 Operational guidance and common failure points

- Confirm intermediary mandates are current before processing.
- Validate effective dates carefully where a premium impact applies.
- Record all approval evidence directly against the policy file.
- Escalate any uncertainty regarding material risk changes to Underwriting.
- Monitor repeated backdating requests for potential conduct or process concerns.

🧾 Records and evidence

Instruction, calculation and issued endorsement attach to the policy record. Adjustment cycle time feeds the operations SLA measures.

2.1.1. Processing a risk address change

🎯 Purpose

Keystroke-level steps for the most common material mid-term adjustment: a change of risk address. Written for Policy Administration Officers.

📊 Operational overview

Operational service metrics

- Standard processing target: 30 minutes per case
- Referral review completion target: same business day
- Data quality exception rate target: below 2%
- Dispatch completion monitored daily

Operational optimization focus

- Reduce manual-address-entry exceptions
- Improve survey routing transparency
- Enhance PAS validation controls
- Minimize endorsement-release delays caused by incomplete evidence

✅ Pre-processing requirements

- Instruction validated (policyholder or mandated intermediary)
- New address in a structured format (no free-text-only instructions)

✅ Procedure

1. In PAS, open the policy and start **Endorsement → Risk address change**.
2. Enter the new address via the address lookup — manual entry only when the lookup has no match, and then flag the record for data quality review.
3. The rating engine recalculates automatically. **If the premium delta exceeds the referral threshold or the new area code carries a survey requirement, the endorsement auto-routes to Underwriting — do not override.**
4. Confirm the effective date with the instruction; backdating beyond 30 days needs team lead approval with a file note.
5. Release the endorsement; four-eyes release applies above the delegation-matrix threshold.
6. Verify the endorsement schedule generated and dispatch is recorded.

🌐 Channel variations

Premium increases

Confirm the collection adjustment is scheduled. Broker-billed: notify Finance Operations before the effective date.

Premium decreases

Refund path follows the refund controls — banking details on file only, call-back verification on any change.

⚠️ Exception and escalation handling

⚠️ Escalation requirement

Do not override underwriting auto-referrals, survey requirements, or premium-threshold controls without documented approval.

🔎 Common processing failures

Symptom	Cause	Resolution expectation
Rating engine returns no premium	Address outside rating tables	Refer to Underwriting; manual premium overrides are prohibited
Endorsement stuck in survey queue	New area requires survey	Arrange survey processing; existing terms remain until completion

🔎 Operational quality controls

- Validate address formatting against approved postcode standards.
- Never apply manual premium overrides where rating data is unavailable.
- Ensure referral evidence and underwriting responses are retained.
- Check dispatch timestamps against operational SLA reporting.
- Escalate recurring PAS lookup failures to system support and data governance.

🧾 Records and evidence

Maintain endorsement evidence, approval records, underwriting referrals, and dispatch confirmation within the policy file for audit and QA review.