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Prestige v2 (Cardinal 360) – How does the automated claims ageing and premium calculation renewal process work?

The newly implemented claims ageing functionality will automatically adjust claims, at the time when the renewal is processed, thereby facilitating greater operational efficiency.

Underwriters will now only need to update the number of claims when a claim is finalised or at renewal, after which the system will automatically recalculate the premium if the process below is followed. Your client's risk profile will be adjusted and this may have an impact on their premium as part of the post-loss or renewal process.

This 'How-to guide' will explain the full process from policy inception through renewal to ensure clarity and alignment across all touchpoints. There are two different scenarios when you can update the number of claims on the policy after a claim has been finalised, as listed below:

- **Scenario 1** – post-loss adjustment captured immediately.
- **Scenario 2** – renewal adjustment captured during the renewal cycle.

You should only choose one scenario (not both) and apply it consistently.

What do you need to do before starting the new renewal process?

- Ensure that:
 - your client's claims information is captured or migrated correctly (whichever is applicable);
 - you have obtained their ITC consent; and
 - you set the auto default rules on the frontend to zero.

What do you need to do at inception?

At the policy's inception, the number of claims must be recorded for each item where a claim has occurred with the previous insurer.

Example:

When the policy started in February 2024, the client had a total of 5 claims over the past three years with their previous insurer, as indicated below:

- 2 claims in the last 12 months;
- 0 claims in the prior year; and
- 3 claims in the year before that.

Record this information in the system for each individual item; leave 'Claims during the current period' blank.

Number of claims prior to renewal	
Claims during the current period	
0 - 12 months (last year)	2
13 - 24 months (2 years ago)	0
24 - 36 months (3 years ago)	3

SCENARIO 1: Post-loss Adjustment (new business)

Once a claim has been finalised, the claims consultant must advise the underwriter to update the number of claims on the policy. To reflect this claim, the risk item must be updated as a mid-term adjustment (MTA) in the field 'Claims during the current period'.

Example: If your client had claims in October and December 2024, the underwriter must update the 'Claims during the current period' field after each claim is settled. This update is done as an MTA after each incident.

October 2024:

Number of claims prior to renewal	
Claims during the current period	1
0 - 12 months	2
13 - 24 months	0
24 - 36 months	3

December 2024:

Number of claims prior to renewal	
Claims during the current period	2
0 - 12 months	2
13 - 24 months	0
24 - 36 months	3

Note: Even if the policy is in a renewal cycle, the claims must be updated as an MTA on the active policy.

SCENARIO 2: Renewal Adjustment (new business)

All claims must be captured during the renewal cycle. On the date the underwriter reviews the policy for renewal, they must update all claims under the field **'Claims during the current period'**. Once this update is complete, the underwriter must move the policy into the renewal cycle, after which the rating engine will apply the steps explained below.

The client's policy anniversary is February 2025. When the renewal is processed (i.e. 2 - 3 months prior to the effective date of the renewal), the rating engine will:

- automatically age existing claims, ensuring they reflect the correct duration since the event occurred;
- incorporate any new claims that occurred during the current period (i.e. since inception or the last renewal date, whichever is later);
- incorporate the updated claims profile when calculating the renewal premium;
- automatically pull in the latest vehicle value (as at the time that the renewal is processed - not the effective date of the renewal) and/or increase the sum insured for Buildings, Contents and All Risks - Unspecified; and
- pass back the updated claims to the system, which will then reflect the updated claims for the relevant items.

The updates at renewal are as follows:

Number of claims prior to renewal		Number of claims after renewal Claims have been automatically aged	
Claims during the current period	2	Claims during the current period	0
0 - 12 months	2	0 - 12 months	2
13 - 24 months	0	13 - 24 months	2
24 - 36 months	3	24 - 36 months	0

Any new claims occurring between the current renewal and the next must be manually recorded in the **'Claims during the current period'** field. This process aligns with that outlined under the heading 'Post-loss Adjustment (new business)' above.

What do you need to do for existing business?**Example:**

For existing policies prior to version 488 and going forward, the underwriter must update the number of claims either at renewal or after a claim (depending on your current process), if these steps were not followed when the system updated to version 486:

- 2 claims in the last 12 months;
- 0 claims in the prior year; and
- 3 claims in the year before that.

Going forward, on this policy, the underwriter must record new claims as explained below.

SCENARIO 1: Post-loss Adjustment (existing business)

Once a claim has been finalised, the claims consultant must advise the underwriter to update the number of claims on the policy. To reflect this claim, the risk item must be updated as an MTA in the field **'Claims during the current period'**.

Example: If your client had claims in January 2025 and April 2025, the underwriter must update the **'Claims during the current period'** field after each claim is settled. This update is done as an MTA after each incident.

January 2025:

Number of claims prior to renewal	
Claims during the current period	1
0 - 12 months	2
13 - 24 months	0
24 - 36 months	3

April 2025:

Number of claims prior to renewal	
Claims during the current period	2
0 - 12 months	2
13 - 24 months	0
24 - 36 months	3

Please note: To enjoy a seamless and automated renewal process, you will need to migrate any existing Prestige v1.5 policies to Prestige v2, before you can renew your client’s policy.

The updates are as follows:

October 2025:

Number of claims prior to renewal	
Claims during the current period	3
0 - 12 months	2
13 - 24 months	0
24 - 36 months	3

December 2025 renewal:

Number of claims prior to renewal		Number of claims after renewal Claims have been automatically aged	
Claims during the current period	3	Claims during the current period	0
0 - 12 months	2	0 - 12 months	3
13 - 24 months	0	13 - 24 months	2
24 - 36 months	3	24 - 36 months	0

SCENARIO 2: Renewal Adjustment (existing business)

Please refer to the section above under the heading ‘SCENARIO 2: Renewal Adjustment (new business)’, as the same actions will be required by the underwriter.

What are the rules for updating ‘Claims during the current period’?

- Regular driver - The rating engine determines premiums based on each vehicle's regular driver. If that driver has a claim, the total number of claims must be updated across all vehicles where that individual is noted as the regular driver. This ensures the rating remains accurate and reflective of the regular driver’s full claims history.

Vehicle	Driver	Claim	Update “Claims during current period”
Vehicle A	Regular driver A	Motor collision 1	Updated across all vehicles
Vehicle B	Regular driver A		
Vehicle C	Regular driver A		

- If a driver is listed under both the motor and motorcycle sections, claims are treated independently within each cover section.
 - Motor claims apply only to the vehicle(s) listed under the motor section for that driver.
 - Motorcycle claims apply exclusively to the motorcycle(s) listed under the motorcycle section for that rider.
- Claims are tracked separately for each building and each content item. This ensures that claim histories are accurately maintained and applied to the correct insured asset during rating and renewal processes.
- The following categories should be excluded from the claims count:
 - Buildings: Geysers and related damage

- Vehicles: Windscreen (repair and replacement)
- Motorcycles: Windscreen (repair and replacement)
- In addition, the following claims are excluded from the claims count:
 - Claims with a 'Rejected' status

How do the renewal premium calculations work?

At renewal, any existing discounts shown on the frontend will fall away but will form part of the premium recalculation. The policy will be re-rated based on the actual premium that your client currently pays – including any applicable discounts and loadings – as well as the client's updated risk profile.

The rating engine recalculates the premium using the latest risk information, such as credit score, claims history, area, insured value, and cover changes. Once the premium is recalculated, the system applies moderation to ensure the increase is reasonable and relative to what the client was paying before. Once the recalculated premium is returned, you can still apply a discount and loading, just as you would during a new business quote.

Renewal premium calculations ensure that premium adjustments at renewal are balanced and not excessive. Even when there are no claims, factors such as inflation, rising repair costs, and updated insured values for buildings and contents will still result in an increase. For cars, premiums will increase even as the vehicle's value decreases, because the key cost drivers are the rising prices of parts, labour, and repairs. In addition, accident frequency, theft trends, and inflation in the motor repair industry continue to push claims costs higher. Renewal premium calculations help smooth out these adjustments, but it is important to manage your client's expectation that premiums will still increase at renewal.

The rating engine is developed to provide reliable, fair, and risk-based premiums. The calculated premium represents an accurate and appropriate assessment of your client's risk profile. It is essential to confirm that the risk information is correct, ensuring that both premiums and renewal adjustments are aligned with your client's actual risk profile.

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