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business advisers

INSURANCE

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SIMPLE ILLUSTRATIVE EXAMPLE OF A CLIENT BY CLIENT CALCULATION TO ACHIEVE COMPLIANCE WITH CASS 5.5.69

			A	B	C	D	E	F	=-sum(A:F)	
Client	Area	Example	Client		UW		Bad Debt	Unearned commission	Calculated Cash	Notes
			Debtors	Creditors	Debtors	Creditors				
1	Premium	No cash received	100			-90		-10	0	
2		Cash received				-90			90	
3		Part settled by client	50			-90		-10	50	
4		Bad debt on no cash received	100			-90	-10		0	Need to remove the bad debt from unearned
5	Claim	No cash received		-100	100				0	
6		Cash received		-100					100	
7		Part settled by underwriter		-100	50				50	
8		Bad debt on no cash received		-100	100		-10		10	Positive yet we don't hold cash - investigate
9	Funded	Premium funded	50					-10	-40	Negative - indication of funding
10		Claim funded			50				-50	Negative - indication of funding
		Totals	300	-400	300	-360	-20	-30	210	

Unallocated cash	50	Must be less than 5% of cash balance held
Earned commission to be transferred	10	Transferred immediately after the calculation
Cashbook	270	

Aggregated CMC using total from above and cashbook total

Debtor (A+C+E)	580
Cashbook	270
Creditor (B + D)	-760
Unallocated cash	-50
Unearned commission	-30
Surplus	10

Notes

1 Assumes position pre transfer of commission i.e. at the point of doing the normal calculation

PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD
Tel: +44 (0)20 7516 2200 Fax: +44 (0)20 7516 2400
www.pkf-littlejohn.com