

LISTING OF CLAIMS:

Please amend the claims as set forth below. This listing of claims will replace all prior versions and listings of claims in this application.

1. **(Currently Amended)** A computer implemented method that analyzes a financial services product pricing process using a waterfall tool that graphically represents a plurality of predetermined price metrics and drill down metrics to manage revenue leaks and enhance price performance, the computer implemented method comprising:

receiving, via an electronic input, data from a plurality of sources in a computer system, **the plurality of sources including at least an actuarial system;**
generating, via the waterfall tool comprising a computer processor, a waterfall display that electronically displays revenues cascading down from a base list price to an invoice price to a pocket price to illustrate revenue leaks, the step of generating the waterfall display including the steps of:

formatting the received data, wherein the formatting comprises one or more of converting actuarial data into time identifications comprising months and quarters and one or more product names;

measuring, using the computer processor, predetermined pricing metrics using the formatted data, the measuring including a measure of underwriting, the measure of underwriting including measuring an underwriting error rate, the measuring also including a measure of a premium leakage, the premium leakage constituted by a reclassification of an insured person's risk class, and a measure of at least one discount, the measure of the at least one discount includes measuring a trend of usage percentage, and wherein the predetermined pricing metrics are defined at a policy level,

determining, using the computer processor, a present value of the predetermined pricing metrics, and

graphing, using the computer processor, the present value of each of the predetermined pricing metrics;

calculating, using the computer processor based on the generated waterfall display, a differential between the present value of the predetermined pricing metrics, at least a plurality of differentials being determined,

identifying, using the computer processor, each of the plurality of differentials as representing a respective revenue leak, each of the plurality of differentials associated with at least one price structure element,

comparing, using the computer processor, each of the plurality of differentials to the at least one known price structure element,

determining, using the computer processor, that a corresponding trigger is attained based on the comparing,

electronically outputting, using an interactive display, the results of the comparing and further outputting a plurality of buckets illustrating one or more revenue leaks,

reviewing a pricing process using the generated waterfall,

identifying one or more opportunities to decrease revenue leaks using the waterfall generated by using a waterfall worksheet to calculate the predetermined pricing metrics and produce a waterfall bar graph that includes the values for a market price, a market gap, a list price, an underwriting, a discount amount, a rider amount, a premium, a commission amount, a bonus amount or any combination thereof;

implementing an action plan based on the results of the comparing and the plurality of buckets illustrating one or more revenue leaks and the one or more opportunities to decrease revenue leaks, the step of implementing the action plan includes implementing a control plan to automatically trigger the action plan when a measurement of a portion of one of the predetermined pricing metrics associated with the action plan meets a predetermined trigger level criteria; and

the step of measuring the predetermined pricing metrics includes measuring at least one selected from the group comprising a plurality of incentives, a plurality of commissions, a plurality of fees, an underwriting gap and a market gap, wherein the plurality of incentives and the plurality of commissions each include measuring at least one of a total payout rate in relation to at least one payout rate of a competitor and a trend of usage percentage.

2. (Cancelled)

3. (Cancelled)

4. (Cancelled)

5. (Cancelled)

6. (Previously Presented) The method of claim 1 wherein the step of measuring the plurality of fees includes measuring at least one of a trend of usage percentage by type and a trend in an average premium amount in relation to type.

7. (Previously Presented) The method of claim 1 wherein the step of measuring the underwriting includes measuring at least one of an underwriting error rate and a premium leakage.

8. (Previously Presented) The method of claim 1 wherein the step of measuring the market gap includes measuring at least one of a competitive rate, a ranking in relation to major competitors, and a percentage variance from a lowest price.

9. (Cancelled)

10. (Cancelled)

11. (Previously Presented) The method of claim 1 wherein the step of determining the predetermined pricing metrics includes measuring a market gap and the step of implementing the action plan includes at least one of evaluating a position of all market gap metrics, assessing current production levels and evaluating a need to re-price.

12. (Previously Presented) The method of claim 1 wherein the step of determining the predetermined pricing metrics includes measuring an underwriting and the step of implementing the action plan includes evaluating a need to restructure underwriting guidelines.

13. (Previously Presented) The method of claim 1 wherein the step of determining the predetermined pricing metrics includes measuring a discount and the step of implementing the action plan includes at least one of assessing a level of discount production and performing a root cause analysis to determine a reason for an increase.

14. (Previously Presented) The method of claim 1 wherein the step of determining the predetermined pricing metrics includes measuring fees and the step of implementing the action plan includes at least one of determining a root cause for a production decline, performing market research to determine new fee types and implementing an action plan to increase production.

15. (Previously Presented) The method of claim 1 wherein the step of determining the predetermined pricing metrics includes measuring commissions and the step of implementing the action plan includes at least one of assessing an impact of a rate reduction on volume, reevaluating a bonus schedule and implementing rate changes if required.

16. (Previously Presented) The method of claim 1 wherein the step of determining the predetermined pricing metrics includes measuring a bonus and the step of implementing the action

plan includes at least one of assessing an impact of a rate reduction on volume, reevaluating a bonus schedule and implementing rate changes if required.

17. (Original) The method of claim 1 wherein the step of receiving the data includes receiving the data from at least one of an actuarial system, a commissions system, a bonus system and a competitive analysis database.

18. (Original) The method of claim 1 wherein the step of receiving the data includes receiving at least one of policy information, commissions data, bonus information, and market data.

19. (Original) The method of claim 1 wherein the step of receiving the data in the tool includes receiving the data in at least one of an actuarial data file, a commissions data extract file, a bonus data file, an institution rollup map file, a date conversion file, a plan code conversion file and a market database.

20. (Cancelled)

21. (Cancelled)

22. (Cancelled)

23. (Previously Presented) The method of claim 1 wherein the step of measuring the predetermined pricing metrics includes summarizing and sorting the received data in the database using a plurality of predetermined database queries.

24. (**Currently Amended**) A computer processing system that analyzes a financial services product pricing process using a waterfall tool that graphically represents a plurality of predetermined price metrics and drill down metrics to manage revenue leaks and enhance price performance, the computer processing system comprising:

a database that stores pricing structure data associated with one or more products;

an electronic input device that receives, via a communication network, data from a plurality of sources in a computer system, **the plurality of sources including at least an actuarial system;**

a waterfall tool that generates a waterfall display that electronically displays revenues cascading down to a pocket price to illustrate revenue leaks including:

 a formatting portion that formats the received data, wherein the formatting comprises one or more of converting actuarial data into time identifications comprising months and quarters and one or more product names;

 a measuring portion that measures a plurality of predetermined pricing metrics using the formatted data, the measuring including a measure of underwriting, the measure of underwriting including measuring an underwriting error rate, the measuring also including a measure of a premium leakage, the premium leakage constituted by a reclassification of an insured person's risk class, and a measure of at least one discount, the measure of the at least one discount includes measuring a trend of usage percentage, and wherein the predetermined pricing metrics are defined at a policy level, and

 a determining portion that determines a present value of each of the predetermined pricing metrics

 a graphing portion that graphs a present value of each of the predetermined pricing metrics;

the waterfall tool comprises a computer processor coupled to the database, the electronic input, and the interactive display, where the computer processor is programmed to:

 calculate, based on the generated waterfall display, a differential between the present value of the predetermined pricing metrics, at least a plurality of differentials being determined,

identify each of the plurality of differentials as representing a respective revenue leak, each of the plurality of differentials associated with at least one price structure element,

compare each of the plurality of differentials to the at least one known price structure element,

determine that a corresponding trigger is attained based on the comparing,

identify one or more opportunities to decrease revenue leaks using the waterfall generated by using a waterfall worksheet to calculate the predetermined pricing metrics and produce a waterfall bar graph that includes the values for a market price, a market gap, a list price, an underwriting, a discount amount, a rider amount, a premium, a commission amount, a bonus amount or any combination thereof; and

electronically output, via the interactive display, the results of the comparing and further output a plurality of buckets illustrating one or more revenue leaks,

review a pricing process using the generated waterfall,

wherein the measuring portion measures each of a plurality of incentives, a plurality of commissions, a plurality of fees, an underwriting gap and a market gap, wherein the plurality of incentives and the plurality of commissions each include measuring at least one of a total payout rate in relation to at least one payout rate of a competitor and a trend of usage percentage, and

an implementation portion that implements an action plan based on the results of the comparing and the plurality of buckets illustrating one or more revenue leaks, the implementation of the action plan includes implementing a control plan to automatically trigger the action plan when a measurement of a portion of one of the predetermined pricing metrics associated with the action plan meets a predetermined trigger level criteria.

25. (Cancelled)

26. (Previously Presented) The system of claim 25 wherein the measuring portion measures a trend of usage percentage.

27. (Previously Presented) The system of claim 24 wherein the measuring portion measures a total payout rate in relation to a payout rate of at least one competitor and a trend of usage percentage.

28. (Previously Presented) The system of claim 24 wherein the measuring portion measures a total payout rate in relation to a payout rate of at least one competitor and a trend of usage percentage.

29. (Previously Presented) The system of claim 24 wherein the measuring portion measures at least one of a trend of usage percentage by type and a trend average premium amount in relation to type.

30. (Cancelled)

31. (Previously Presented) The system of claim 24 wherein the measuring portion measures at least one of a competitive rate, a ranking in relation to major competitors, and a percentage variance from a lowest price.

32. (Cancelled)

33. (Cancelled)

34. (Previously Presented) The system of claim 33 wherein the measuring portion measures a market gap and the implementation portion evaluates a position of all market gap metrics, assesses current production levels and evaluates a need to re-price.

35. (Previously Presented) The system of claim 31 wherein the measuring portion measures underwriting and the implementation portion evaluates a need to restructure underwriting guidelines.

36. (Previously Presented) The system of claim 31 wherein the measuring portion measures a discount and the implementation portion assessing a level of discount production and performing a root cause analysis to determine a reason for an increase.

37. (Previously Presented) The system of claim 31 wherein the measuring portion measures fees and the implementation portion determines a root cause for a production decline, performs market research to determine new fee types and implements an action plan to increase production.

38. (Previously Presented) The system of claim 31 wherein the measuring portion measures commissions and the implementation portion assessing an impact of a rate reduction on volume, reevaluating a bonus schedule and implementing rate changes.

39. (Previously Presented) The system of claim 31 wherein the measuring portion measures a bonus and the implementation portion assessing an impact of a rate reduction on volume, reevaluating a bonus schedule and implementing rate changes.

40. (Previously Presented) The system of claim 24 wherein the receiving portion receives the data from at least one of an actuarial system, a commissions system, a bonus system and a competitive analysis database.

41. (Previously Presented) The system of claim 24 wherein the receiving portion receives at least one of policy information, commissions data, bonus information, and market data.

42. (Previously Presented) The system of claim 24 wherein the receiving portion receives files in at least one of an actuarial data file, a commission data extract file, a bonus data file, an institution rollup map file, a date conversion file, a plan code conversion file and a market database.

43. (Previously Presented) The system of claim 24 further comprising a reviewing portion that reviews a pricing process using the waterfall display generated.

44. (Previously Presented) The system of claim 24 further comprising an identifying portion that identifies opportunities to decrease revenue leaks using the waterfall display generated.

45. (Original) The system of claim 24 wherein the predetermined pricing metrics are defined at a policy level.

46-62. (Canceled)