

PROPERTY CASUALTY 360°

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Choosing the right Producer Management System.

These are things to consider when upgrading your distribution system to ensure a seamless producer management process.



Ensure a robust self-service portal, one that allows the insurer a full view of its down-line and the agent access to Book of Business (BOB) commission statements and demographic information

Currently, producer management is the backbone of the insurance industry. I say *currently* because industry talk is that artificial intelligence (AI) is about to take over producers' jobs.

But that is a discussion for another time as producer management fuels sales, and simple blunders can result in noncompliance and exorbitant fees.

The right tool for the job

[The insurance tech industry](#) provides automated solutions that can manage the entire producer life cycle—from on-boarding to agent maintenance. When upgrading your distribution system to ensure a seamless producer management process, there are some important points/processes to consider.

One is how well the system you plan to implement [integrates with third-party systems](#). This is very important as a platform that allows third-party integrations that streamline the producer experience, ensure compliance with industry regulations, and speed up the recruiting and onboarding processes, will increase efficiency, ensure compliance, decrease your carbon footprint (as it's paperless), and save money.

The most important integrations for recruiting and onboarding are:

- Background check vendor's like industry leader BIG
- The NIPR's Producer Management Database (PDB)
- DocuSign or other e-signature vendors
- Leading education firms so that producers' CE Credits can be verified to ensure compliance

Additional system insights

Another important back office function that is of the utmost importance to the producer management process is [compensation](#). If procuring a new compensation system, you should choose one that can plug and play with your current system's policy administration, CRM systems, general ledger and check printing.

Creating any hierarchy structure regardless of size or complexity should also be a priority as there are compensation platforms that are capable of creating N-tier hierarchies. Serious consideration should be given to whether the system has the capability to change business rules easily. [A compensation system that can calculate compensation for an agent](#) across all lines of business in one cycle and generate a single statement for that agent is of immense value.

Another great functionality to have is a rules engine that can take your business rules, build them into the compensation platform, then create workflows that automate your compensation calculations. Being able to retroactively make changes to a plan, agent, or policy with effective dates is also important, as is supporting user-defined commission-able events e.g., charge backs, renewals, etc.

The brass ring

Agent and territory management is very important to [the growth and profitability of any insurance company](#). This is the hardest process to manage manually mainly because the number of agents/ agencies, the amount of territories they may work in—as an agent/agency can sell products in multiple states—and the amount of data involved.

[Getting a robust CRM system](#) that tracks meetings with agents/agencies that can be reviewed at will is awesome. Agent profitability and performance can be checked and evaluated over different time periods which gives the management team (sales manager, regional manager etc.) insight into previous meetings and the ability to drill down into performance goals set, whether they were achieved or not, along with bonus plans etc.

One final suggestion: Ensure a robust self-service portal, one that allows the insurer a full view of its down-line and the agent access to Book of Business (BOB) commission statements and demographic information.

Legacy systems

If you're not replacing your entire distribution platform, it would be wise to gain an understanding of how to integrate seamlessly with your current system/systems, as that will cut down on integration costs and time.

End of Article

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