

Insurer switches to Optimize to successfully manage broker commissions



No-code application built for 15K agents



Improved regulatory compliance controls



Fast, daily processing that handles change easily

SITUATION

A rapidly changing regulatory landscape was driving a leading insurer to revisit the way it was compensating members of a 15,000-broker channel concentrated on individual and small group policies. The inflexible legacy system that they used touted out-of-the-box capabilities, and yet made it extremely difficult to make even routine changes to their commission plan. As a result, more strategic adjustments were considered non-starters.

The growing importance of the division's revenues meant it was imperative that the company find a powerful, unified, no-code platform for data warehousing and processing, that also allowed for flexible no-code custom application development to meet their strategic business needs.

CHALLENGES

They needed a new solution to rectify the challenges that their legacy system could not handle:

- The legacy software, though marketed as simple to maintain, made it very difficult for business users to access or adjust processes, slowing responses to business changes and at times delaying payments;
- There was no automated way to make changes to commission payments based on underwriting, so they were unable to drive correct selling behaviors;
- There was no method to ensure that producers had acquired or maintained requisite licenses or appointments risking regulatory non-compliance and potential fines; and

- Information updates were painfully slow due to a combination of the manual processes necessitated by the existing system's shortcomings and sluggish performance of the software.

SOLUTION

After switching to Optimize, the insurer was able to employ solutions to address each of their key issues.

To address the regulatory compliance concerns, the no-code unified platform was set up to integrate with third-party licensing information, which then enabled the creation and use of an application for licenses and appointments management. The application automatically withholds payments from any non-compliant agents and notifies them, putting the onus on the agents to resolve their status.

The Optimize standard data warehouse structure allowed the insurer to plan and roll out the strategic changes that they needed to manage their broker channel. There were automatic parameter feeds that made it easy for business users to make quick changes to the commission rate structure or add data inputs. Then, business analysts were able to model changes to payment amounts based on underwriting ratings.

OUTCOME

As a result, all of the customer's issues were resolved.

The insurance company reduced its regulatory risks and improved their agent onboarding process by using an application for licenses and appointments built on the Optimize platform.

They were able to better incentivize broker behavior by directly linking their variable compensation to the quality of the policy by incorporating of the underwriting scores.

The brokers benefited from faster reporting and analytics, which better equipped them to handle their sales opportunities.

Finally, the business analyst team was more efficient without facing technology roadblocks in their everyday work.

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