Managing Producers in Shared or Competing Business Units

Most carrier customers using PLM take advantage of the "business units" functionality, which allows them to organize their whole producer base into customizable groups. A business unit can represent a specific distribution channel, business division, geographic location, branch office, product line, or any other logical or physical segmentation that makes sense to your business.

A producer record in PLM that carries business unit information can make producer tracking, maintenance, and reporting much easier for licensing staff. For example, you can mass terminate the state appointments of an entire group of producers, all at once, by pulling together a list of appointees filtered by specific business unit data. (To do so, you could use the Company Appointment List Inquiry or Producer Appointments Inquiry in PLM Producer Manager, for example.)
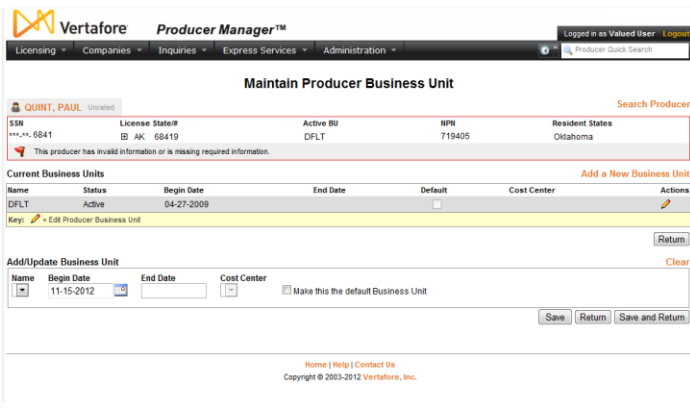
Producers: One or More

PLM allows you to assign a producer to only one or to multiple business units, depending on your carrier group's business requirements.

It might be the case where a producer has a single territory to sell in or regional marketing organization to report to. In those cases, a producer record may reflect only one business unit in PLM.

In other cases, a producer may be in numerous, different sales hierarchies at different levels or may represent different product types for different underwriting companies. Such producers then may belong to multiple business units in PLM.

Note: Based on your company's business rules, the system may be Vertafore-configured to require that an individual or firm producer be assigned to at least one business unit.

In the illustration below, you can see that the example producer is being assigned to multiple business units, (Access this page in PLM Producer Manager with the Licensing>Producer>Maintain Producer Business Unit menu command.)
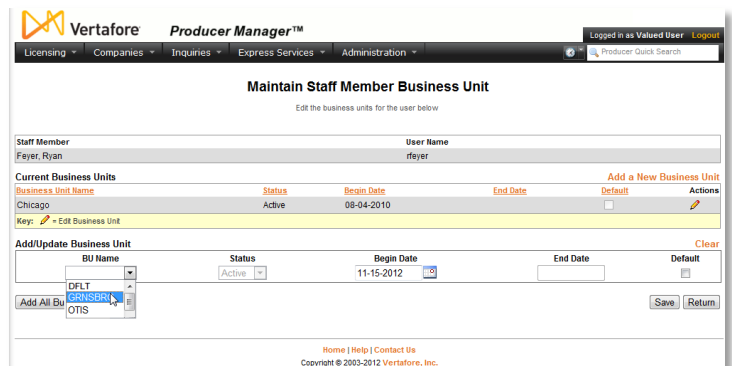

Note: The preceding illustration shows the manual method for adding business unit information to a producer record. PLM also offers automated and bulk methods for assigning producers to business units.

Staff Members: Usually Just One

Business unit distinctions in PLM don't apply only to producers. Licensing staff members themselves are assigned to at least one business unit, as well. Your company might have dispersed licensing admins, each responsible for the maintenance of producers in a specific business unit.

As a general practice, you would not want a staff member responsible for the producers in one business unit to be able to manage a producer who belongs to a different business unit. By default, PLM enforces this so-called "cross-interest" restriction.
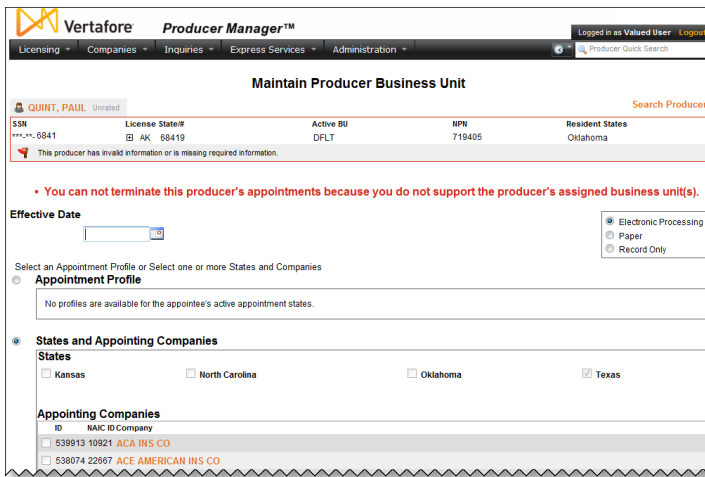
Illustrated below is the user account of a staff member. You can see that the staff member is assigned to a business unit to which the example producer does not belong. (A user in an administrator role accesses this page in PLM Producer Manager with the Administration>User Security>Maintain All Staff Member Business Unit menu command.)

No Cross-Interest Transactions

Although a staff member responsible for one business unit is allowed to view the record of a producer in a different business unit, the system prohibits the staff member from submitting a "cross-interest" appointment or appointment termination request for the producer.

The illustration below shows how the system behaves if the staff member responsible for the Chicago business unit attempts to terminate an appointment of the example producer with the DFLT business unit interest.

However … There is Flexibility

During the initial setup of PLM, Vertafore staff works closely with you and your staff to configure the system to best suit your company's business model and objectives. Configuring business unit information is a key part of those setup activities.

Along with helping establish the names and codes of business units themselves, Vertafore staff can configure a setting in the system's back-end (TRMN_BU_APPT_IND) that can permit a staff member responsible for one business unit to terminate producers in a different business unit, as long as both the staff member and producer share assignment to at least one business unit in common.

There might be a number of reasons why this flexiblity might make sense for your company. You might like to have someone who can "back up" other staff when they are absent, for example. Or perhaps your company uses business units as a means of grouping producers other than for purposes of establishing rigidly-defined business interests.

With the setting enabled (set to "N"), you could assign all producers and staff members to an identical, common business unit A. Then you could segment your producers and responsible staff members into different business units (B, C, etc.), as your business policies require. Should it become necessary to terminate the appointment of a producer in business unit B, a staff member assigned to business unit C would be enabled to submit the termination request, because both the staff member and the producer share business unit A in common.

With the setting disabled (set to "Y"), a staff member and a producer must share all business units in common in order for the staff member to terminate the producer's appointment.

Cross-Interest Terminations Report

If your company's deployment of PLM allows terminations of producers by staff members in other business units, as a staff member you can run a report in PLM Producer Manager to find out if and when a producer was terminated by a staff member in a business unit other than your own.

The Business Unit Appointment Termination Inquiry can help prevent a compliance problem, where you think a producer is authorized in a state to sell a particular product but in fact is not. (Access this report in PLM Producer Manager with the Inquiries>Appointment> Business Unit Appointment Termination Inquiry menu command.)

Need More?

If you need further assistance with Vertafore PLM products or services, contact your assigned account representative, send an email to plmsupport@vertafore.com, or open a case in the Self-Service Portal.