Sircon Producer Manager User Guide



A Guide to
Producer Sales
Authorizations

July 2016 | Version 7.6

Contents

 © 2015, Vertafore, Inc.

Overview

A carrier licensing specialist or an agency administrator is responsible for a lot of day-to-day tasks. But when all of those responsibilities are boiled down, their key concern is: “Is this producer with business in hand fully credentialed to transact the business for us?”

Sircon Producer Manager can track all of the various parts of the equation to answer that question. An agent or broker’s compliance information, such as active licenses, LOA, carrier appointments, securities registrations, and compulsory or product-specific training, all can be recorded and kept updated in Producer Manager. You can check a producer’s record for any of this disparate information.

Producer Manager’s Sales Authorization capability, however, can make it much simpler. It can factor together all of a producer’s compliance information and provide a single answer: Yes, the producer is fully authorized to represent a given product type at a certain stage of the sales cycle in a specific state. Or – no, the producer is not authorized, and here’s what he or she is missing.

You can get an answer to a producer sales authorization inquiry with the push of a button directly from the Producer Manager user interface. But also, depending on your company’s configuration of the Sircon platform, you can retrieve a sales authorization result as part of an automated Producer Express onboarding or transaction workflow. Producer Manager also can send a result to another system, such as a new business, CRM, or commissions/payroll system, programmatically through web services API.

This document is a step-by-step “how-to” guide for first-time users of the producer Sales Authorization capability in Producer Manager.

© 2016, Vertafore, Inc.

Getting Started

With a little background on the nature and purpose of producer sales authorization, let's get started using them.

In this section, we'll cover the basics on setting up user security in Producer Manager for accessing Sales Authorization. Then we'll test drive our first sales authorization check request. We'll end the section by examining the some of the underpinnings of the Sales Authorization engine.

Enable Security Permissions

The first thing to do is to enable the user security permissions in Producer Manager for users in a system administrator role, so that they can configure producer Sales Authorization for use by staff members. Then, you must enable user security permissions for users in any licensing staff member role, so that they can actually run sales authorization checks and view sales authorization history reports, etc.

From the **Administration** menu, select **User Security**, and then select **Maintain Security Role**. The **Select Security Role** page will open.

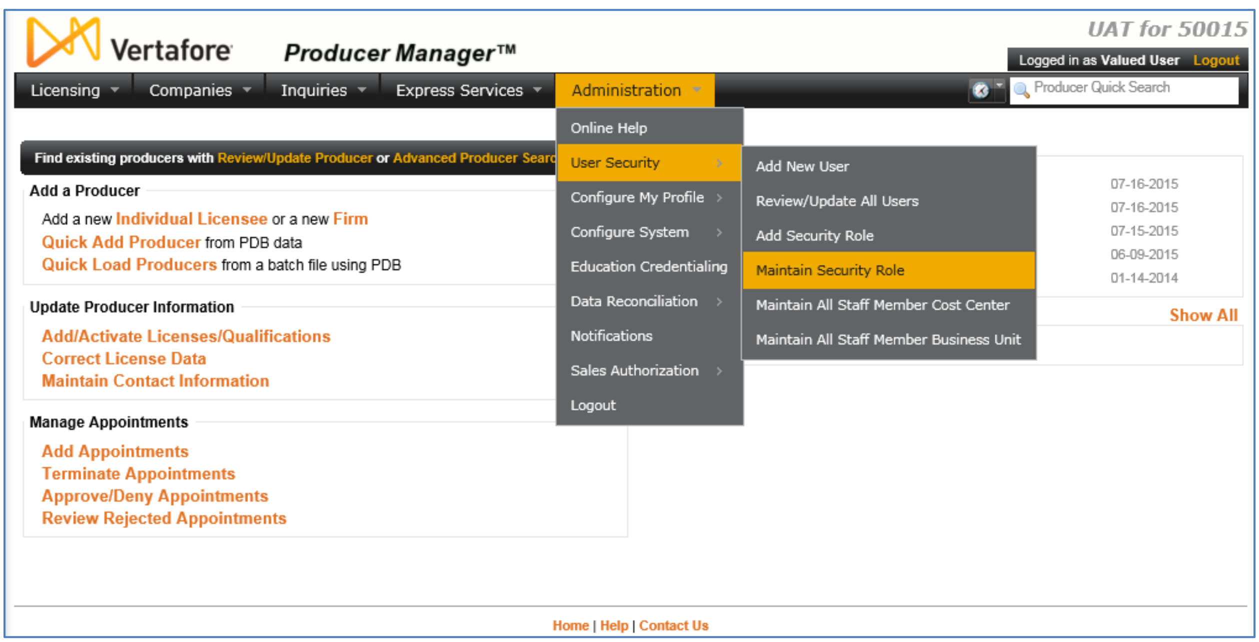


Figure 1 - Set up user security permissions on the Maintain Security Role page.

On the **Select Security Role** page, click the **Edit** control ( ) associated with each user role you want to configure. The **Maintain Security Role** page will open.

© 2016, Vertafore, Inc.

On the **Maintain Security Role** page, for the following role types, click to checkmark the checkboxes associated with the following security permissions:

- **Administrators**
  - Licensing > Sales Authorization > Verify Sales Authorization
  - Licensing > Sales Authorization > Sales Authorization History
  - Administration > Sales Authorization > Administer Products
  - Administration > Sales Authorization > Appointment and Affiliation Settings
  - Administration > Sales Authorization > View Regulatory Mappings
  - Administration > Sales Authorization > Education Settings
  - Administration > Sales Authorization > Sales Authorization Profiles
- **Licensing Specialists** (or other staff members)
  - Licensing > Sales Authorization > Verify Sales Authorization
  - Licensing > Sales Authorization > Sales Authorization History

For more information about the **Maintain Security Role** page and other user security settings, please see the Producer Manager online help.

Try a Basic Sales Authorization

Just by turning on the right user security permissions, you've already done enough to try a basic sales authorization check on an actual producer. There is no cost associated with doing a producer sales authorization check, and it will not affect or change the producer record itself. So, feel free to try this in your company's production Producer Manager environment.

Here's how:

Use **Producer Quick Search** to find a producer's record. (For help or more information on searching for records, please refer to the Producer Manager online help.)

With a producer record open, below the **Quick Links** box, click the **Verify Sales Authorization** button. The **Verify Sales Authorization** page will open.

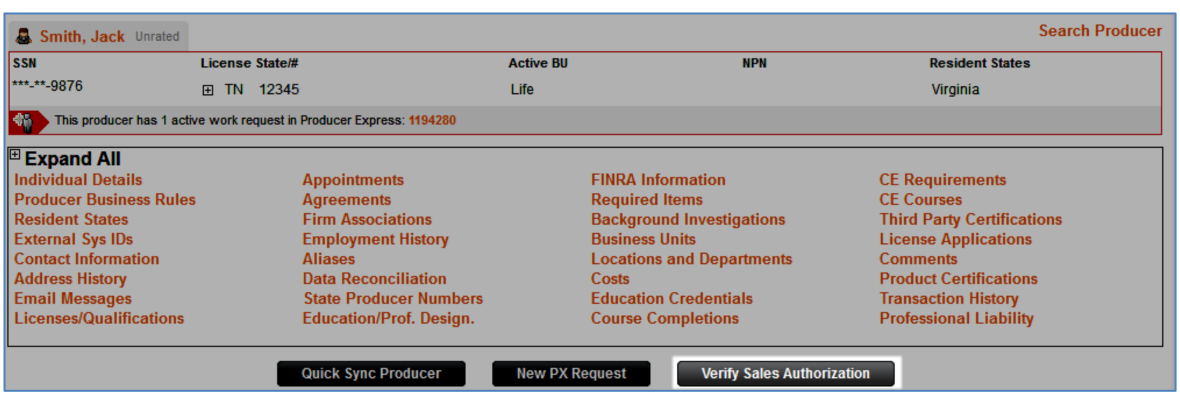


Figure 2 - Verify Sales Authorization button on a producer record.

© 2016, Vertafore, Inc.

From the dropdown menus on the **Verify Sales Authorization** page, select your producer sales authorization check criteria, as follows:

- **State/Jurisdiction**: Select the name of the regulatory jurisdiction for which you are requesting a sales authorization check for the selected producer. It should be the primary risk state for a policy.
- **Product**: Select the type of product for which you are requesting a sales authorization check for the selected producer. It should be the option that most closely describes the policy this producer might be selling. The options include ACORD standard and DTCC interface product types.
- **Sales Event**: Select the name of the step in the sales process for which you are requesting a sales authorization check for the selected producer. This is the action the agent is attempting. It is most commonly used for “just in time” appointment support. (See “Finetune Your “Just in Time” Appointment Settings” on page 19 for more details.)
- **Writing Company**: *Available for Producer Manager carrier customers only*. Select the name of the carrier appointing or underwriting company for which you are requesting a sales authorization check for the selected producer. It should be the underwriting company issuing the **Product**.
- **Related Firm**: *Optional, except required for sales authorization checks for securities product types (e.g., Variable Annuities, Variable Contracts, etc.)* Click to open the **Verify Sales Authorization - Search Firm** page, where you may search for and select the firm (broker/dealer) with which the producer for whom you are requesting a sales authorization check is associated. Specifying a firm allows the sales authorization check to factor in the producer’s firm-related securities registrations and education credential information (if configured).

© 2016, Vertafore, Inc.

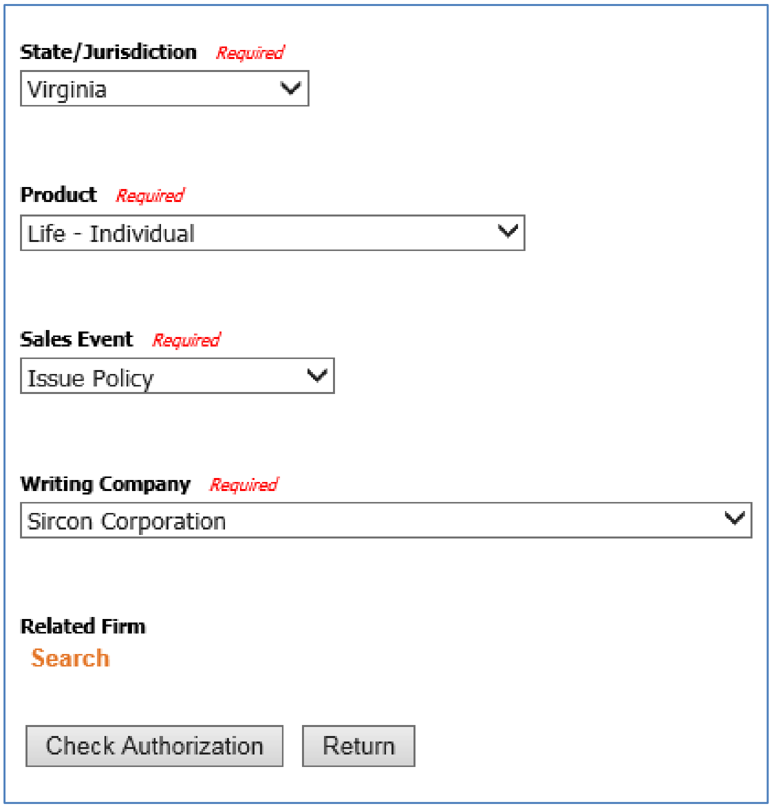


Figure 3 – Producer Sales Authorization check criteria fields.

For only a basic sales authorization check, you can ignore **Related Firm** criteria for now. We'll take a look at it in the "Exploring Advanced Sales Authorizations" chapter beginning on page 23, where we explore more complex sales authorization check scenarios.

With your criteria selected, click the **Check Authorization** button. The results of the check will display in a box on the right side of the page.

The results indicate whether the selected producer is authorized to perform the given sales event for the selected product in the selected state, based on whether the producer holds the proper licenses, lines of authority, and/or appointments.

 © 2016, Vertafore, Inc.

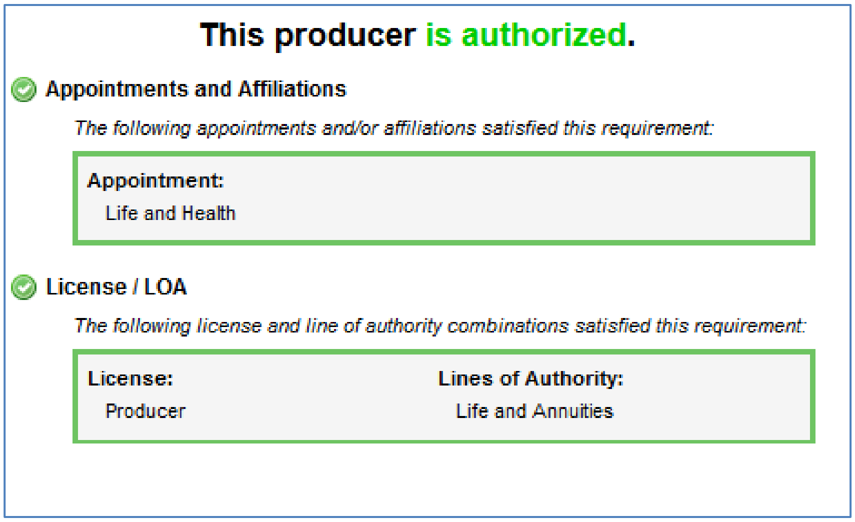


Figure 4 – Basic producer Sales Authorization results.

What could be simpler than that for figuring out if an agent is “OK to sell?”

Producer Manager makes it simple, but to arrive at this simple, actionable result quite a lot is going on under the hood. The following section explains some of what’s going on, so that you can understand better how Sales Authorization works and how to optimize it for your company’s business.

What Exactly is Going On?

So how exactly does Producer Manager calculate its sales authorization result?

In the example illustrated above, the system checked the producer’s record in Producer Manager and found that he held the following compliance credentials:

- An active license of the “Producer” type in Virginia
- Active license lines of authority (LOA) of Life and Annuities to support the issuance of the Life policy
- An active appointment in Virginia by the Sircon Corporation underwriting company for Life and Health

This was sufficient evidence that the producer held the credentials necessary to issue the policy in the selected state, and so Producer Manager returned an “Authorized” result.

Had Producer Manager detected that the producer’s license was expired or that the producer was missing the right LOA or had not been appointed by the underwriter, the result would have been “Not Authorized.” The result would have included details on exactly which credentials were deficient, so that you could follow up.

All it takes is one missing credential to return a “Not Authorized” result. (See Figure 5.)

© 2016, Vertafore, Inc.

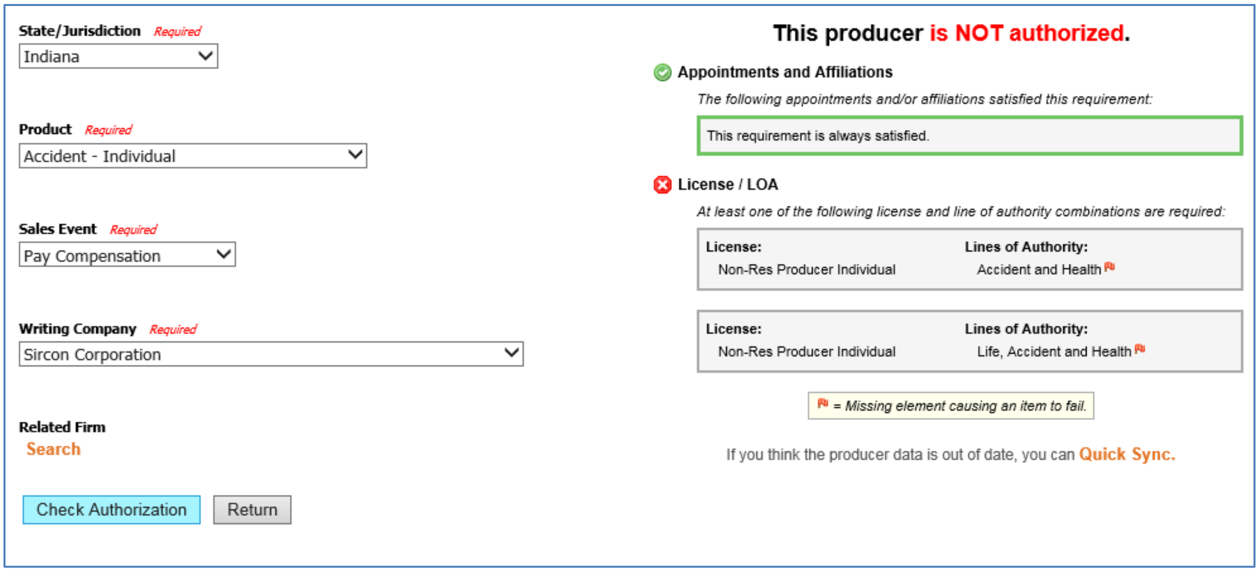


Figure 5 – A "Not Authorized" sales authorization result.

But let's probe a little bit deeper.

In our example, we checked to see if the producer is authorized to sell a life insurance policy in Virginia. And sure enough, the producer's record had all of the right, active credentials to warrant a "green light" to issue the policy.

But regulations from state to state are different. License types, LOA, and appointments types required to represent the same product type are not the same across states. Many states even offer different license types to an individual producer than to a business entity or agency. Some states do not require carriers to formally appoint their producers, while other states consider agents appointed if the agency with which they are formally affiliated is appointed.

All the moving parts make things complicated. Exactly how does Producer Manager keep all of it straight?

But wait, there's more. Circumstances unique to your own company can add to the complexity. Consider the following:

- Assuming your company is a large carrier group with multiple underwriting companies, it is common if not all of the companies do business or offer certain product lines in all states.
- Your company's legal or compliance department probably has its own interpretations of state regulations. For example, it is quite possible that they have decided that a producer needs a state appointment when he is paid commission but not at any earlier stage of the sales process. These interpretations may formulate your company's "Just in Time" or "restricted state" appointment policies.
- In the vast universe of insurance and securities product types, invariably there are some or many that your company just does not underwrite. When tracking your producers' compliance, you would not want to be distracted by unimportant product types nor the compliance details (license types, LOA, and appointment types) that lie under them.

All of the logic that makes Sales Authorization work is configured in the system in advance.

© 2016, Vertafore, Inc.

Figure 6 - A Sales Authorization result distills a large volume of disparate information.

The most essential configuration points – such as the wiring that ties the various product types together with the various regulatory details – are administered by Vertafore in the system's back end, based on careful and ongoing analysis of state regulations.

But much of the logic is user-configurable, using some tools available to administrative users directly in Producer Manager.

We'll take a close look at all Sales Authorization configurations in the next chapter.

In the meantime, go ahead. Run several producer sales authorization checks: some for producers that you know are authorized, and some for those who are not. Get a feel for how sales authorization logic is being applied based on the information contained in producer records.

© 2016, Vertafore, Inc.

Configuring Sales Authorization

As we concluded in the previous section, Producer Manager arrives at a simple “yes” or “no” answer to the question, “Is this producer with business in hand fully credentialed to transact the business for us?,” only first by processing a lot of key business information.

In this section, we’ll take a closer look at the configuration layer of the Sales Authorization engine.

Review Product Type to LOA Mappings

We mentioned earlier that among the configurations that support Sales Authorization, some are Vertafore-configured and some are user-configurable. We’ll begin this chapter by looking first at the basic logic that Vertafore applies and maintains in the system’s backend.

To support the producer Sales Authorization capability, Vertafore maintains mappings between product types and license types, lines of authority, and appointment types for every product type and state combination. We also have configured mappings between products and securities registrations.

You can easily review the mappings to ensure that your company’s rules for Sales Authorization checks agree with our interpretations of state regulations, as follows:

From the **Administration** menu, select **Sales Authorization**, and then select **View Regulatory Mappings**.

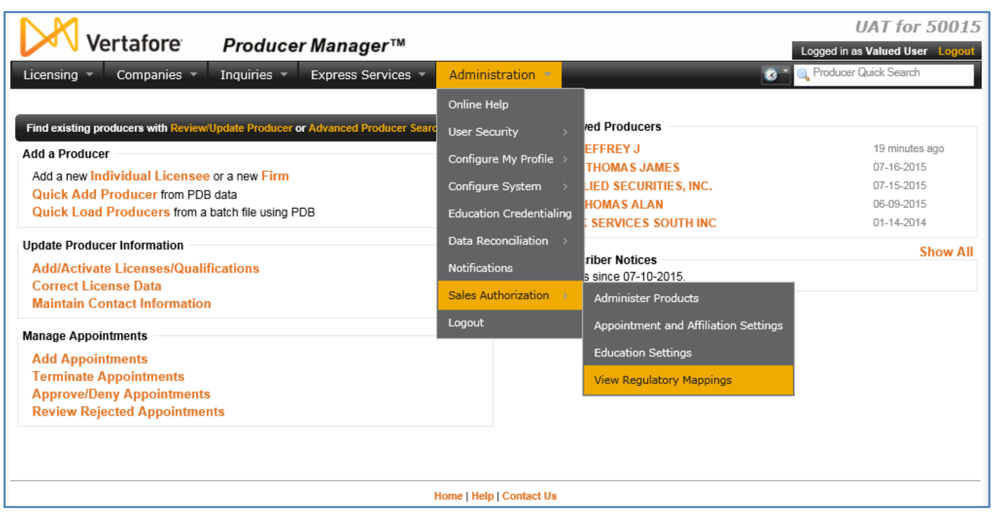


Figure 7 - Open the Regulatory Mappings page to review relationships between product types and regulatory details.

The **Regulatory Mappings** page will open.

In the search fields, select a **Product Type**.

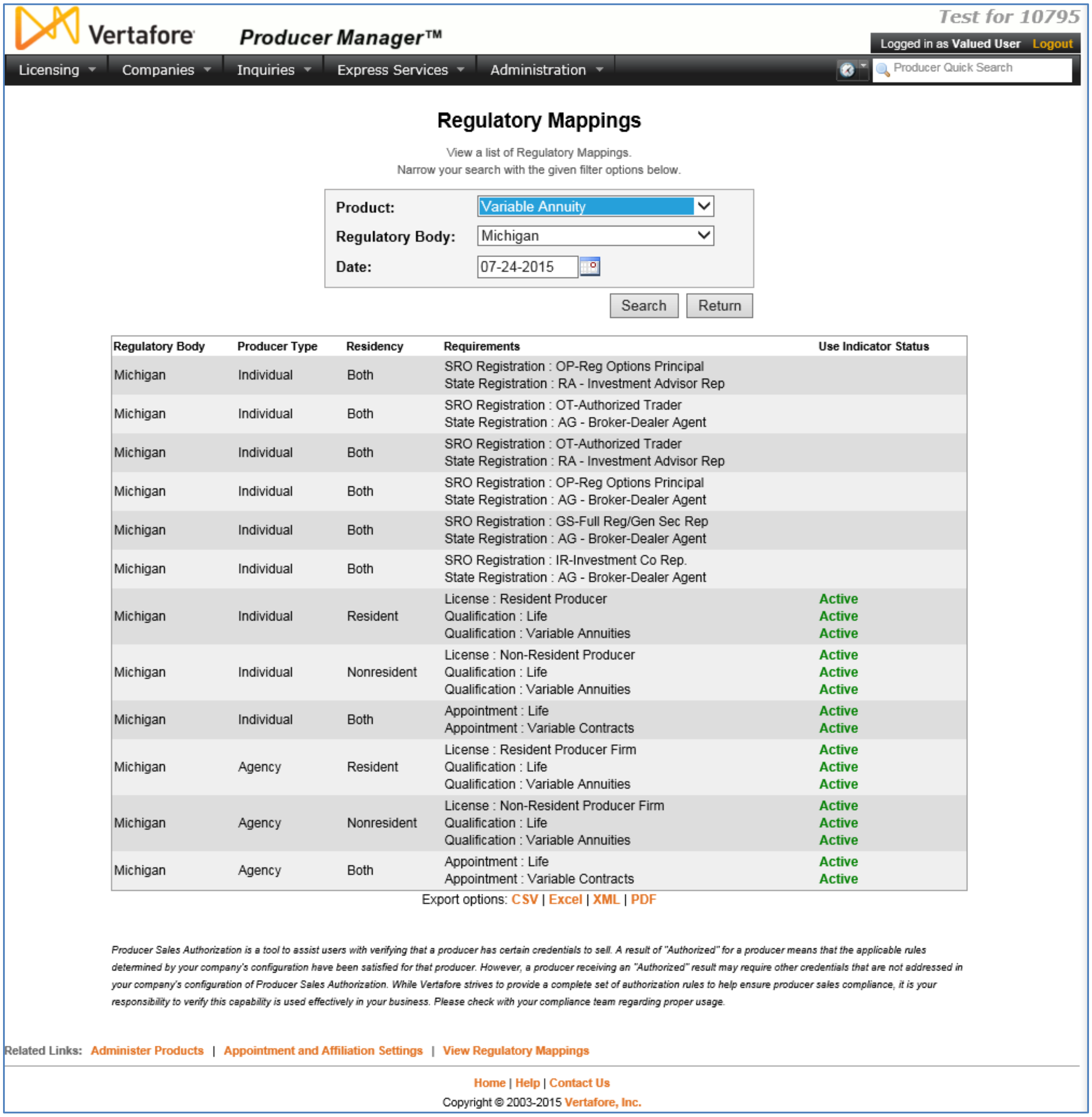
© 2016, Vertafore, Inc.

If desired, you can filter the results by selecting a state name from the **Regulatory Jurisdiction** dropdown menu.

You can also view active mappings as of a specific date, by entering a date in the **Date** field.

Click the **Search** button.

The search results will show the current mappings between the selected product types and regulatory details in all or selected states.



Regulatory Body	Producer Type	Residency	Requirements	Use Indicator Status
Michigan	Individual	Both	SRO Registration : OP-Reg Options Principal State Registration : RA - Investment Advisor Rep	
Michigan	Individual	Both	SRO Registration : OT-Authorized Trader State Registration : AG - Broker-Dealer Agent	
Michigan	Individual	Both	SRO Registration : OT-Authorized Trader State Registration : RA - Investment Advisor Rep	
Michigan	Individual	Both	SRO Registration : OP-Reg Options Principal State Registration : AG - Broker-Dealer Agent	
Michigan	Individual	Both	SRO Registration : GS-Full Reg/Gen Sec Rep State Registration : AG - Broker-Dealer Agent	
Michigan	Individual	Both	SRO Registration : IR-Investment Co Rep. State Registration : AG - Broker-Dealer Agent	
Michigan	Individual	Resident	License : Resident Producer Qualification : Life Qualification : Variable Annuities	Active Active Active
Michigan	Individual	Nonresident	License : Non-Resident Producer Qualification : Life Qualification : Variable Annuities	Active Active Active
Michigan	Individual	Both	Appointment : Life Appointment : Variable Contracts	Active Active
Michigan	Agency	Resident	License : Resident Producer Firm Qualification : Life Qualification : Variable Annuities	Active Active Active
Michigan	Agency	Nonresident	License : Non-Resident Producer Firm Qualification : Life Qualification : Variable Annuities	Active Active Active
Michigan	Agency	Both	Appointment : Life Appointment : Variable Contracts	Active Active

Figure 8 –Regulatory Mappings page.

The results also include **Use Indicator Status**, which tells you whether a specific license, LOA, or appointment type code is enabled in your company's instance of Producer Manager. (Code use indicators do not apply to securities registrations.)

© 2016, Vertafore, Inc.

Code use indicators are another Vertafore configuration point that helps shield you from having to deal with regulatory details in the system that are unimportant to your company's business. (For more information about code use indicators, please refer to the Producer Manager online help.)

Note: If you see a code use indicator with an Inactive status that you feel should be Active in your company's instance of Producer Manager, please contact your Vertafore representative.

At the bottom of the list, you can select to export the mappings to CSV, Excel, or PDF format for easy sharing with your legal or regulatory compliance team.

LOA Combinations and Optional Paths

Two lines of authority listed in a mapping row mean that both are needed to satisfy the requirement during a producer sales authorization check.

In the following example, mapping for the Homeowners product type in Alabama, an individual agent, resident or non-resident, would need to have an active Producer license with both Casualty *and* Property lines of authority (also referred to as "qualifications") to satisfy this requirement.

Regulatory Body	Producer Type	Residency	Requirements	Use Indicator Status
Alabama	Individual	Both	License : Producer Qualification : Casualty Qualification : Property	Active Active Active

Figure 9 - LOA Combination.

Sometimes, however, there is more than one way to be authorized. In this Homeowners / Alabama example, there is actually another row in our mappings:

Regulatory Body	Producer Type	Residency	Requirements	Use Indicator Status
Alabama	Individual	Both	License : Producer Qualification : Casualty Qualification : Property	Active Active Active
Alabama	Individual	Both	License : Producer Qualification : Personal Lines	Active Active

Figure 10 - Optional credentials required for Homeowners in Alabama.

When two or more rows are present for the same combination of regulatory body, producer type, and residency, this indicates that a producer could have either set of credentials to be considered authorized for a given product type in a given state.

Note: Although the Sales Authorization engine, as configured by Vertafore, would allow an authorization check on a producer to return an "Approved" result if the producer held either of the "optional" LOA paths, you could configure your company's **Code Use Indicators** to require one or the other. The globally allowed combinations still will be reflected on the **View**

© 2016, Vertafore, Inc.

Regulatory Mappings page, but automated systems (such as Sircon Producer Express) would know which credentials to check for when processing transactions. For more information, please review the Producer Manager online help or consult your Vertafore representative.

Appointment Mappings

In general, appointment mapping for Sales Authorization follows the same guidelines as license/LOA mappings. However, there is an important distinction to discuss.

Some states do not require individual producer appointments. However, many customers have systems that require individual producer records to reflect an appointment in any sales state.

To satisfy this requirement in individual “non-appoint” or “record-only appointment” states, the following appointment types are available in Producer Manager:

- Doesn’t Appoint By LOA (code: 074)
- Carrier Requests (code: 999)

In order to return an “Approved” result, a Sales Authorization check for an individual producer in one of these states requires that an active appointment of either type exists on the producer’s record. The illustration below shows the mapping.

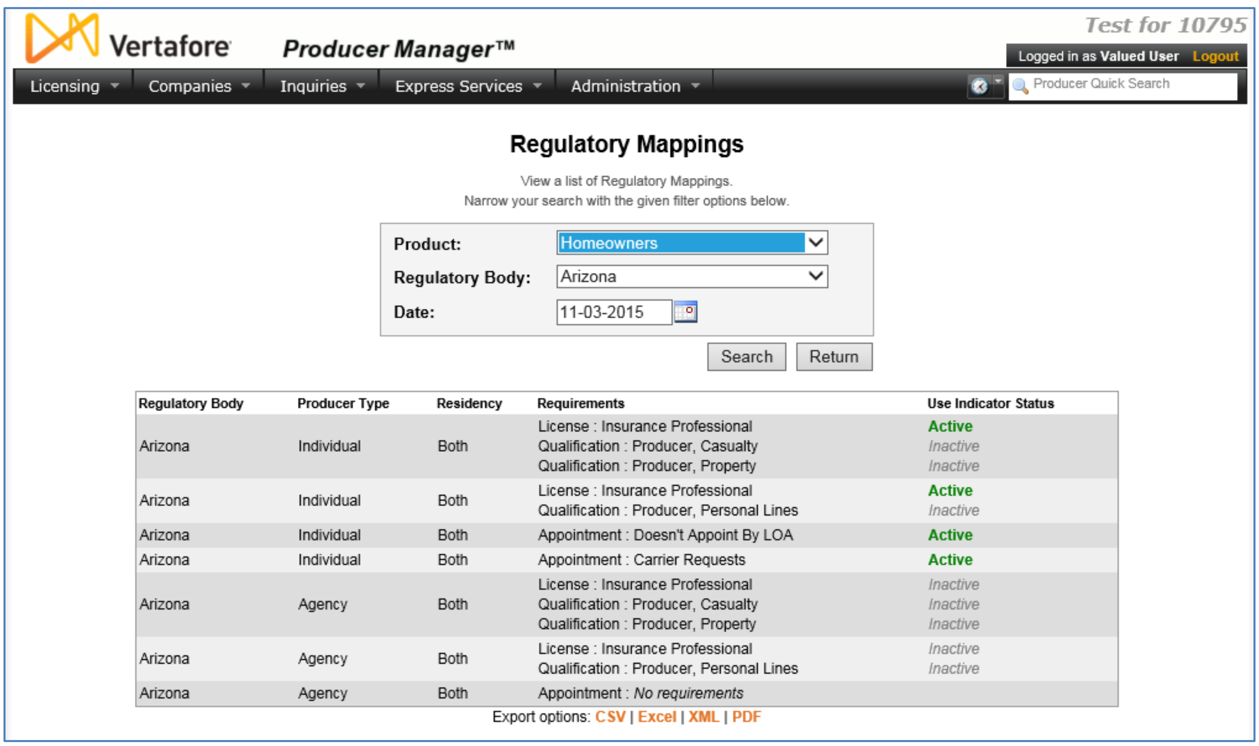


Figure 11 – Individual appointment types represented by Sales Authorization mappings in a state that does not require an individual appointment.

By setting up Sales Authorization to accommodate these requirements, a sales authorization check can return the expected results, and any automated workflow triggered by the sales authorization check (such as “just-in-time” appointments) may proceed without errors.

© 2016, Vertafore, Inc.

If systems downstream from the Sircon Platform do not require a producer record to reflect an appointment, despite the Sales Authorization mapping it will not be necessary for you to update producer records with “Doesn’t Appoint By LOA” or “Carrier Requests” appointments.

You can quickly configure Sales Authorization to ignore the individual appointment mapping using the **Appointment and Affiliation Settings** page. Simply uncheckmark the **For Individuals Appointment** checkbox in any “non-appoint” state.

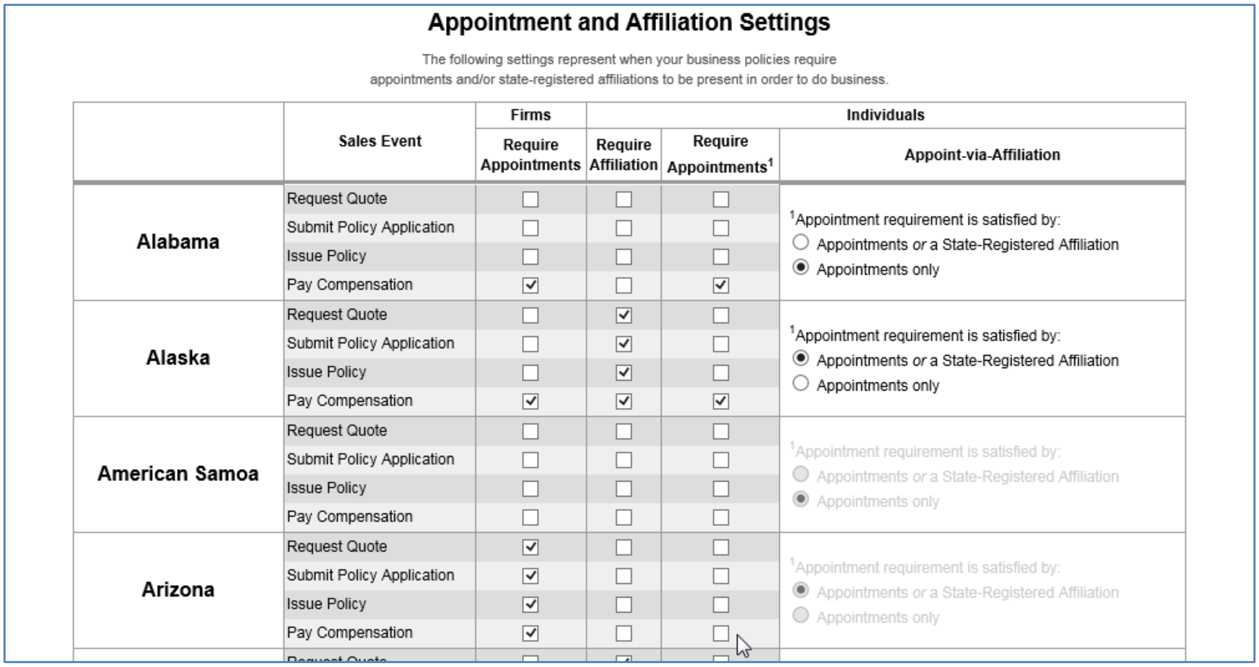


Figure 12 – Ignore appointment mapping rules where desired and needed on the Appointment and Affiliation Settings page.

(For more information about the **Appointment and Affiliation Settings** page, see “Finetune Your “Just in Time” Appointment Settings” on page 19.)

Note: You can tell a state that does not have a statutory individual appointment requirement by the presence of the “Carrier Requests” and “Doesn’t Appoint By LOA” appointment types on the **Regulatory Mappings** page.

Note: If your company is using Sales Authorizations to automate appointment requests in Sircon Producer Express, one of the two “record-only” appointment types will be requested during the process. To force one preferred type to be requested consistently, you can disable the type you *don’t* want to use in the **State Appointment Details** section of an appointing company’s record in Producer Manager. Then, automated systems (such as Producer Express) will know which credential to check for and select when working with automated appointments. For more information, please review the Producer Manager online help or consult your Vertafore representative.

© 2016, Vertafore, Inc.

Customize the Product List

As you can see, Vertafore has the back-end mappings covered. But a well-tuned Sales Authorization engine may require configuration effort not only from Vertafore but also from those who understand your company's business better than anyone: You and your company's compliance or legal team.

Producer Manager offers tools that let you make Sales Authorization more relevant to your company's business. Let's take a look at them.

As mentioned earlier, Sales Authorization supports a multitude of product types. When the security permissions for Sales Authorization are first configured, every single product type is enabled, and Producer Manager will check authorization for any combination of product type, state, and underwriting company.

But maybe not all product types are relevant to your company's business. You can choose which to enable in the system and which to ignore. Or – if your carrier group consists of a number of underwriting companies, and some do business in some states while others don't – you can enable certain product types for some underwriters in specific states and disable them for others.

On the **Administer Products** page, you can set Producer Manager to reject a sales authorization combination that does not make sense for your business.

Use the following steps:

From the **Administration** menu, select **Sales Authorization**, and then select **Administer Products**.

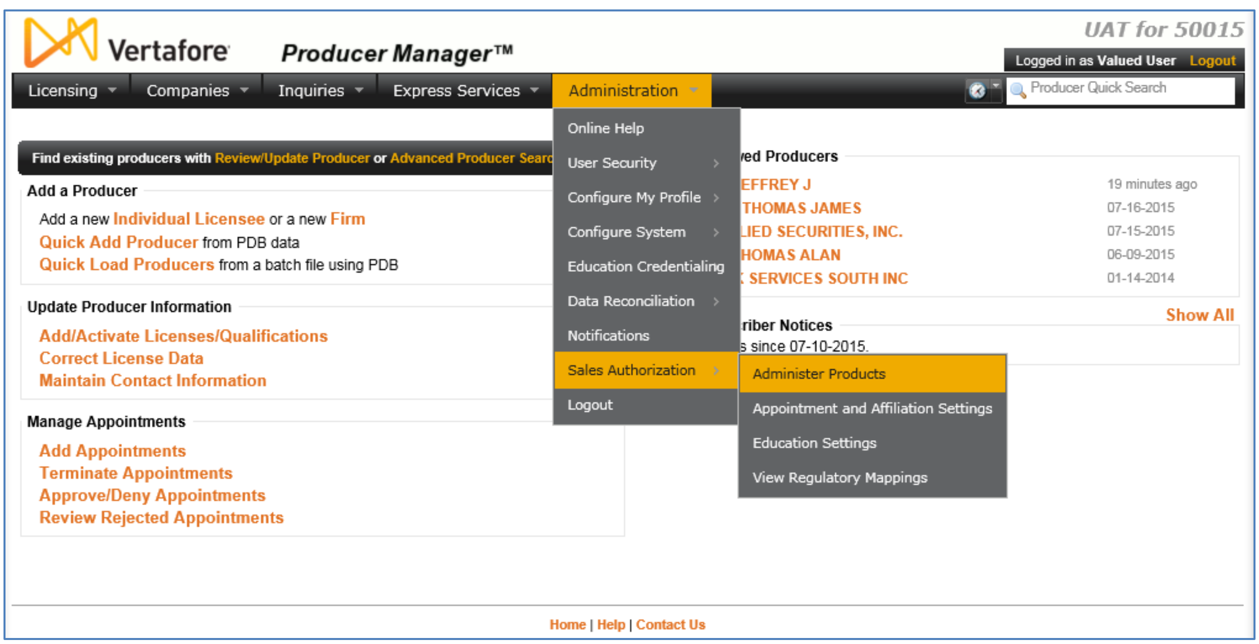


Figure 13 - Open the Administer Products page to customize the product list.

The **Administer Products** page will open.

To turn off an entire product type, in the **Active Products** section, click to uncheckmark the checkboxes associated with product types not sold by your company.

 © 2016, Vertafore, Inc.

Click the **Save** button to save the changes. Selected product types will transfer to the **Inactive Products** section at the bottom of the page.

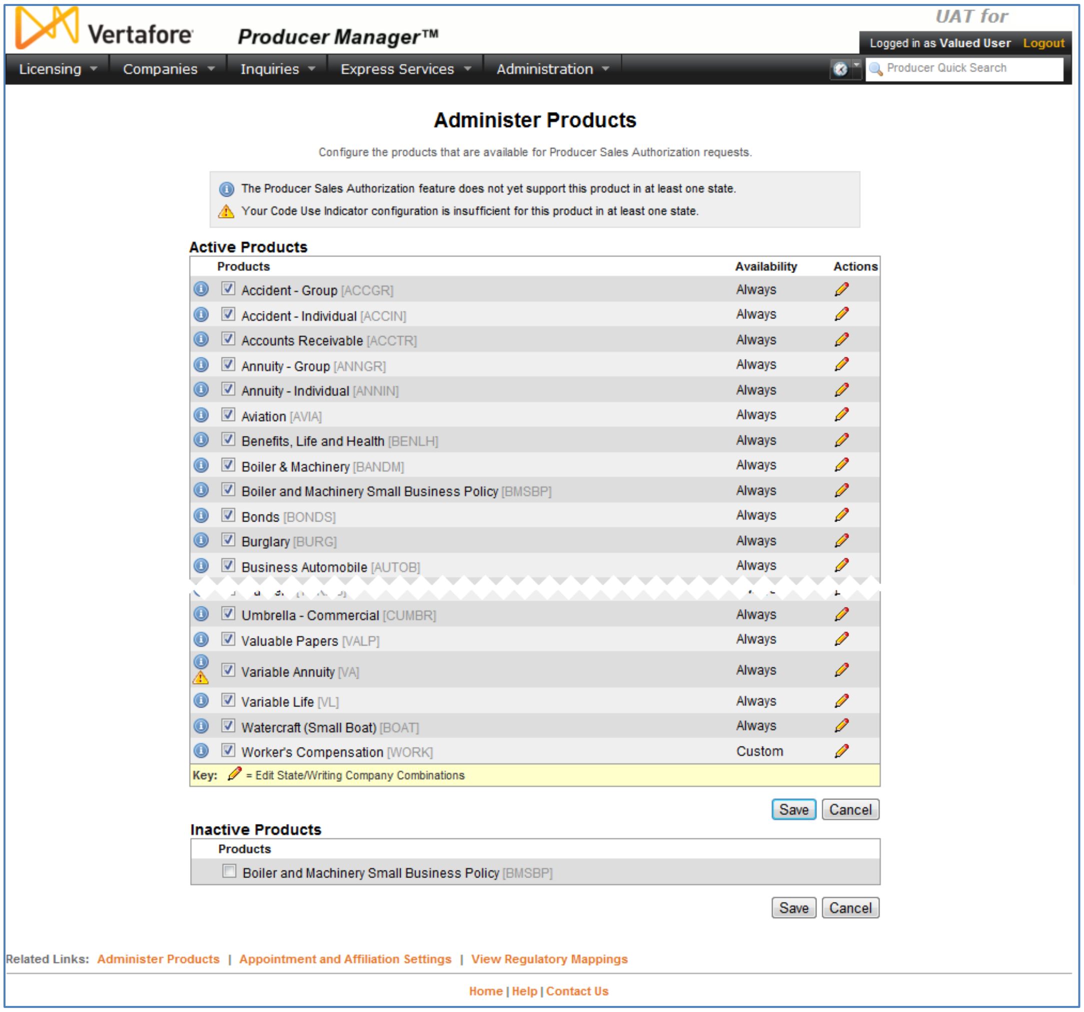


Figure 14 – Turn off product types on the Administer Products page.

Alternately, to finetune the availability of a specific product type per underwriting company and/or state, click the **Edit State/Writing Company Combinations** control ( ) associated with a product type. The **Product Availability** page will open. (*This capability is available only to carrier customers*.)

On the **Product Availability** page, you can specify the underwriting companies that offer the selected product type in each state.

© 2016, Vertafore, Inc.

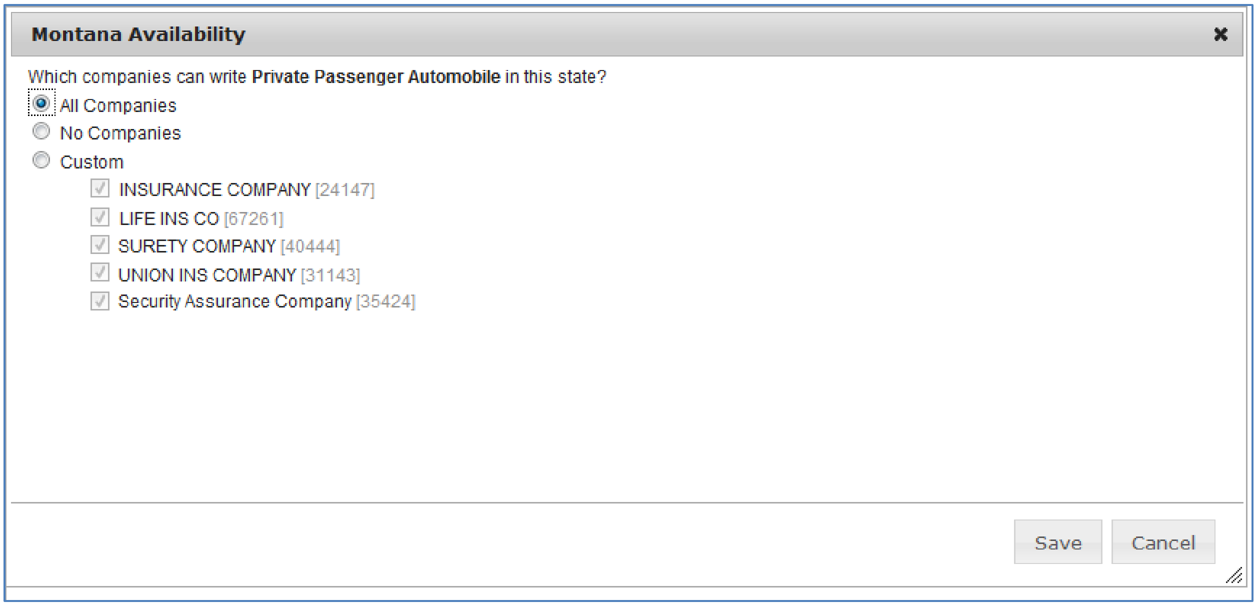


Figure 15 – Configure which underwriting companies offer a product type in a state on the Product Availability page.

For more information, please refer to the Producer Manager online help.

Note: Vertafore is continuously building out Sales Authorization to include additional product types, along with the mappings between the product types and regulatory details. Check the **Administer Products** page from time to time to ensure that all product types with which your company does business are enabled in the system.

© 2016, Vertafore, Inc.

Finetune Your "Just in Time" Appointment Settings

Using producer Sales Authorization is the recommended best practice for implementing your company's "just in time" appointment rules. Producer Manager puts control of the rules in your hands, so that you can change them whenever your company's interpretation of state regulations changes.

In "Try a Basic Sales Authorization" on page 5, we learned that one of the sales authorization check criteria is **Sales Event**. The standard sales events are as follows:

- Request Quote
- Submit Policy Application
- Issue Policy
- Pay Compensation

According to your company's understanding of appointment rules in a given "just in time (JIT)" appointment state, a producer may not be required to hold an appointment just to quote a policy. Instead, an appointment may be required only when the producer binds the policy.

When you run a sales authorization check on a producer quoting a business owner's policy in Virginia for the Sircon Corporation underwriter, you can see that the check results in a "red light."

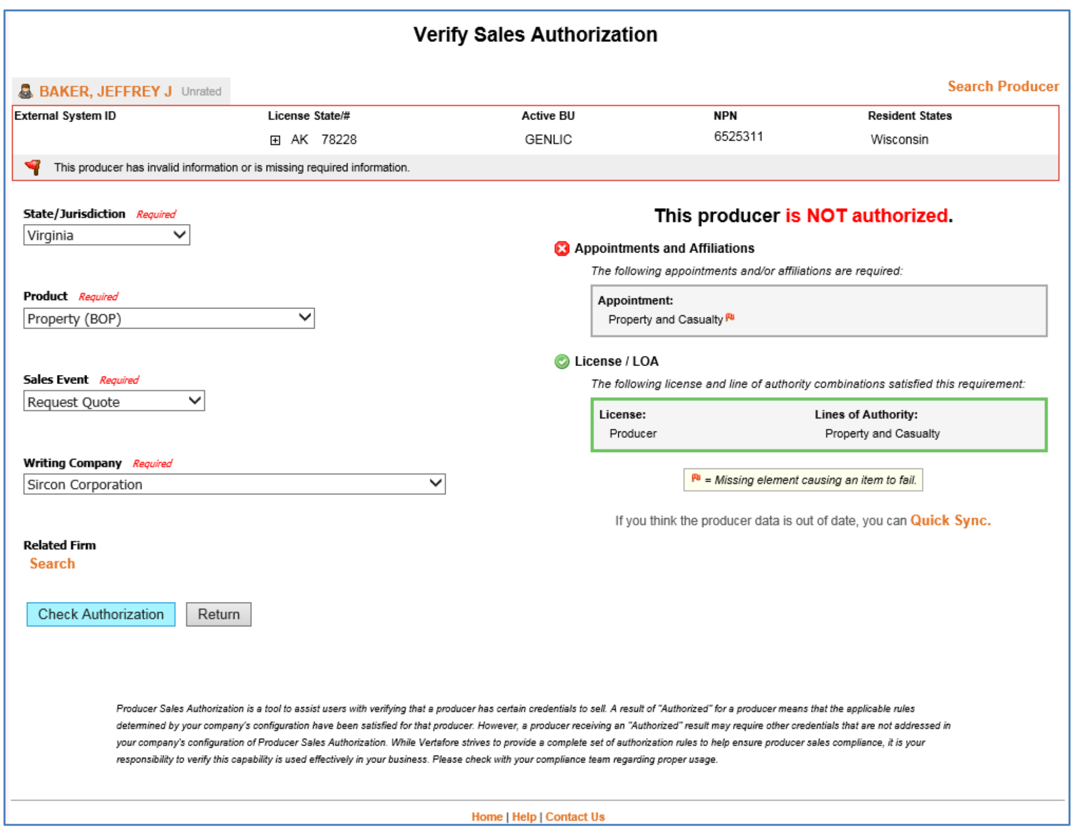


Figure 16- A more restrictive "Just in Time" appointment policy may return a "Not Authorized" result.

© 2016, Vertafore, Inc.

This is because, although the producer holds the proper license and LOA, he currently is not appointed by Sircon Corporation in Virginia. This condition reflects a more restrictive JIT policy.

However, let's say for example that your compliance team determines that, based on its analysis of state regulations, the producer does not need to be appointed merely to issue a quote. You can configure the system to remove the more restrictive criteria setting.

From the **Administration** menu, select **Sales Authorization**, and then select **Appointment and Affiliation Settings**.

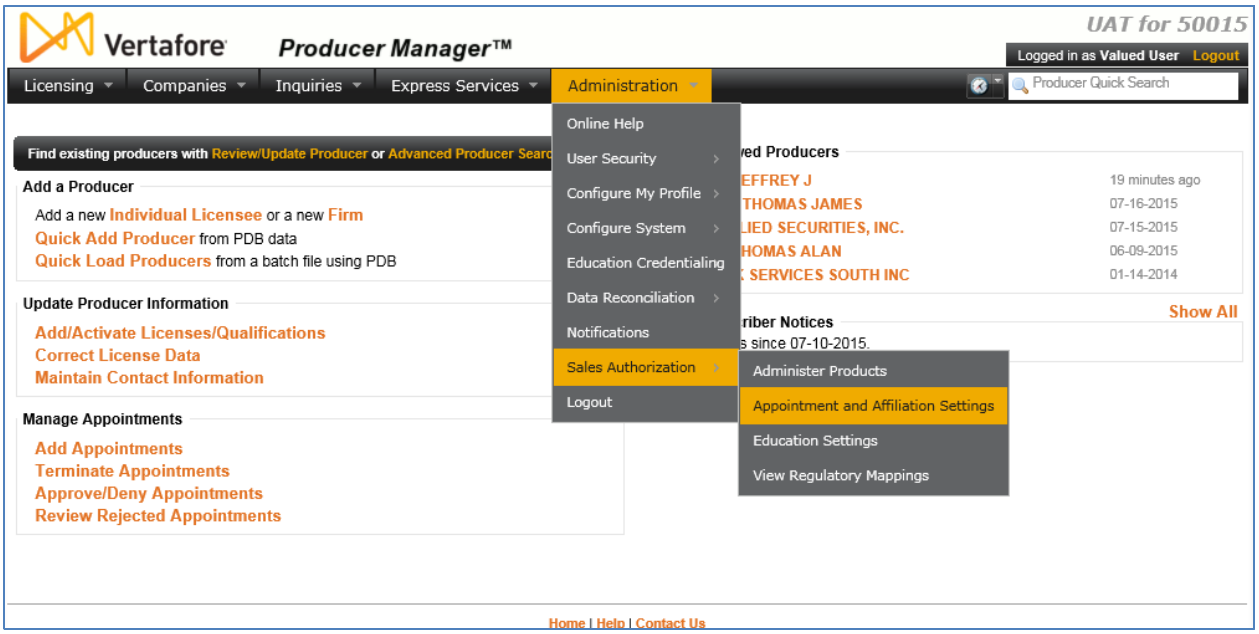


Figure 17 - Open the Appointment and Affiliation Settings to configure "Just in Time" appointment settings.

The **Appointment and Affiliation Settings** page will open, displaying a table offering configuration settings by state for appointment or affiliation requirements.

For each state to be considered "just in time," in the **Require Appointments** column of the table, click to uncheckmark the **Request Quote** checkbox for the type of producer, **Firms** (i.e., agencies) or **Individuals**, that would not need an appointment in the selected state at the quoting sales event.

	Sales Event	Firms	Individuals	
		Require Appointments	Require Affiliation	Require Appointments[1]
Virginia	Request Quote	☐	☐	☐
	Submit Policy Application	☑	☐	☑
	Issue Policy	☑	☐	☑
	Pay Compensation	☑	☐	☑

Figure 18 - Setting a JIT appointment policy

© 2016, Vertafore, Inc.

Now, re-open a producer record, and do a sales authorization check using the Request Quote **Sales Event**. Notice how the appointment rule no longer applies to the authorization check. The producer is authorized for this stage of the sales cycle solely because of the licenses and lines of authority on the producer's record. The restriction that an appointment is required when quoting a policy has been removed.

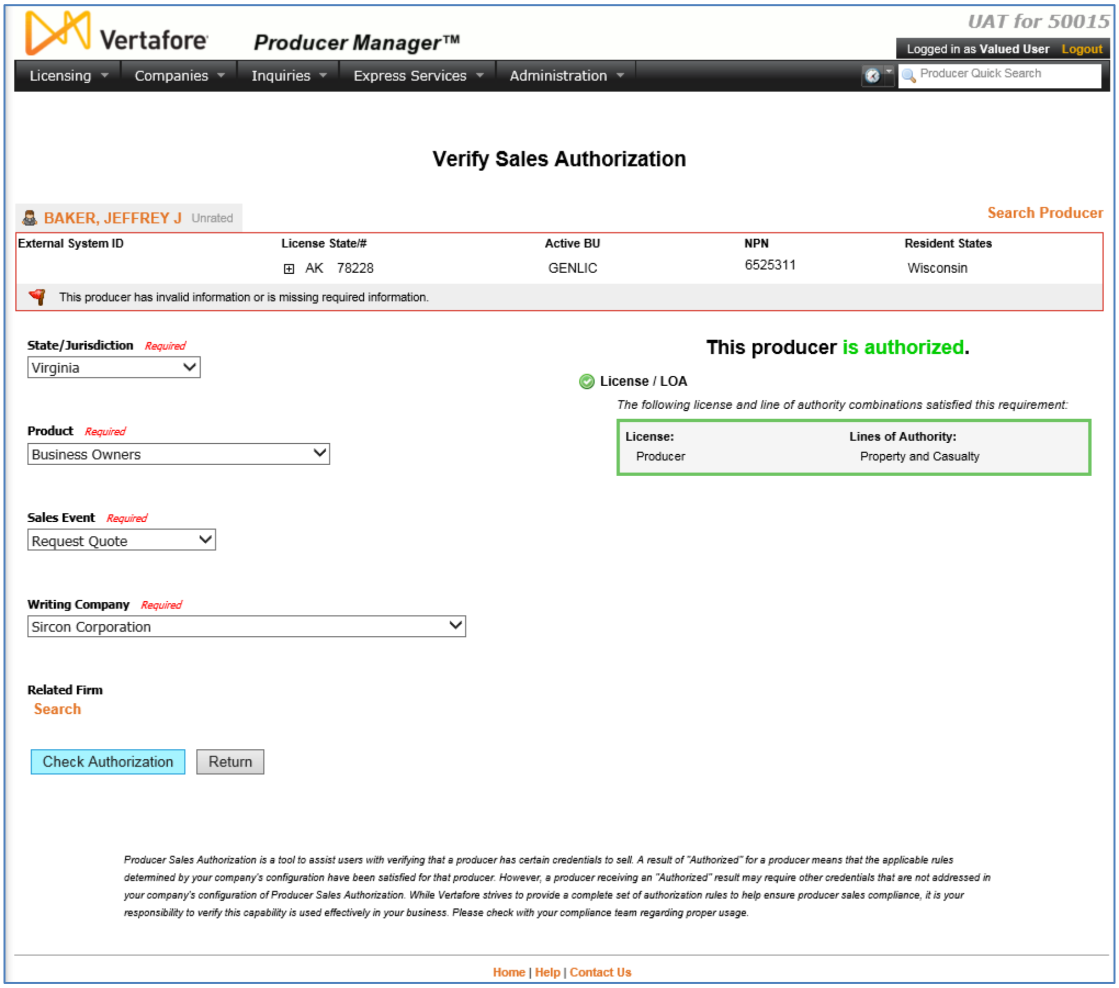


Figure 19 – Producer Sales Authorization with a "just in time" appointment policy

Using the same method, you can finetune Sales Authorization to reflect your company's JIT rules in any state and for any of four sales events. You can even differentiate settings for individual producers and firms.

Note: Your company's understanding of certain states' regulations might conclude that an individual agent is considered appointed if the agency with which the agent is affiliated is appointed. You can set up this "shared appointment" scenario for any such state on the **Appointment and Affiliation Settings** page. Click to checkmark the **Require Affiliation** checkbox corresponding to any sales event where Sales Authorization should check for an individual-to-firm affiliation. The Sales Authorization engine will check to make sure the **State Registered** field is marked "Yes" in the **Associations** data section of the producers' records. Please note, however, that currently Sales Authorization does not verify that the firm in

© 2016, Vertafore, Inc.

this scenario holds a valid and active appointment. (For more information, see “Firm Associations” and “Appointments” in the Producer Manager online help.)

 © 2016, Vertafore, Inc.

Exploring Advanced Sales Authorizations

The producer Sales Authorization capability was built to work "right out of the box," by allowing a user to check a producer's fitness to represent a product based on licenses and LOA, carrier appointments, and/or appointed firm affiliations. We had a look at how to request a "basic" sales authorization check, beginning on page 5.

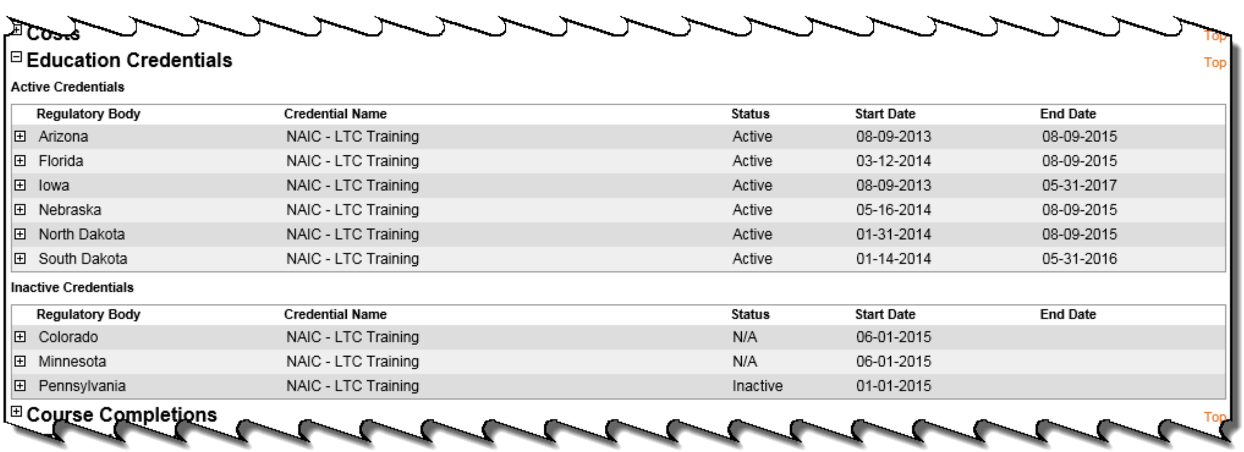
That was a good start, but there are other pieces to the puzzle. Sales Authorization also can check to see if a producer has completed product-specific training or any other mandated education that may be required in order to sell certain product lines, such as Long-Term Care or Annuities. Also, for products with a securities component, such as Variable Annuities, Mutual Funds, or 529 Plans, Producer Manager can triangulate a producer's or rep's active securities registrations into a sales authorization result.

For the purposes of this guide, we'll call checks for education credentials and securities registrations "advanced Sales Authorization."

Check for Education Credentials

Insurers are compelled by federal or state regulations to provide proof that producers representing certain product lines have completed special training specific to the product. For example, a producer representing a company's cash-value products, such as life insurance or annuities, is required by federal law to complete and keep current with Anti-Money Laundering (AML) training. Many states also require product-specific training, for products such as flood or long-term care insurance or annuities investments.

In Producer Manager, a combination of verified education coursework and active, relevant LOA can earn a producer an "education credential." An active education credential on the producer's record indicates that the producer currently fulfills the basic federal or state education requirements necessary to be eligible to represent a particular line of business.


Costs
Education Credentials
Top

Active Credentials

Regulatory Body	Credential Name	Status	Start Date	End Date
Arizona	NAIC - LTC Training	Active	08-09-2013	08-09-2015
Florida	NAIC - LTC Training	Active	03-12-2014	08-09-2015
Iowa	NAIC - LTC Training	Active	08-09-2013	05-31-2017
Nebraska	NAIC - LTC Training	Active	05-16-2014	08-09-2015
North Dakota	NAIC - LTC Training	Active	01-31-2014	08-09-2015
South Dakota	NAIC - LTC Training	Active	01-14-2014	05-31-2016

Inactive Credentials

Regulatory Body	Credential Name	Status	Start Date	End Date
Colorado	NAIC - LTC Training	N/A	06-01-2015	
Minnesota	NAIC - LTC Training	N/A	06-01-2015	
Pennsylvania	NAIC - LTC Training	Inactive	01-01-2015	

Course Completions
Top

© 2016, Vertafore, Inc.

Figure 20 - An active Education Credential indicates a producer has completed required training.

A producer also may hold an education credential for any other internal producer training your company may require, such as CSR/Account Management, HIPAA, or Do Not Call coursework. (For more information, see “Education Credentials” in the Producer Manager online help.)

Producer Manager can factor a producer’s education credentials into a producer sales authorization check. Then, as shown in Figure 21, although a producer may hold an active, valid license, LOA, and state appointment to support the sale of a certain product in a certain state, a “red light” result will occur if the producer does not have an active, supporting education credential.

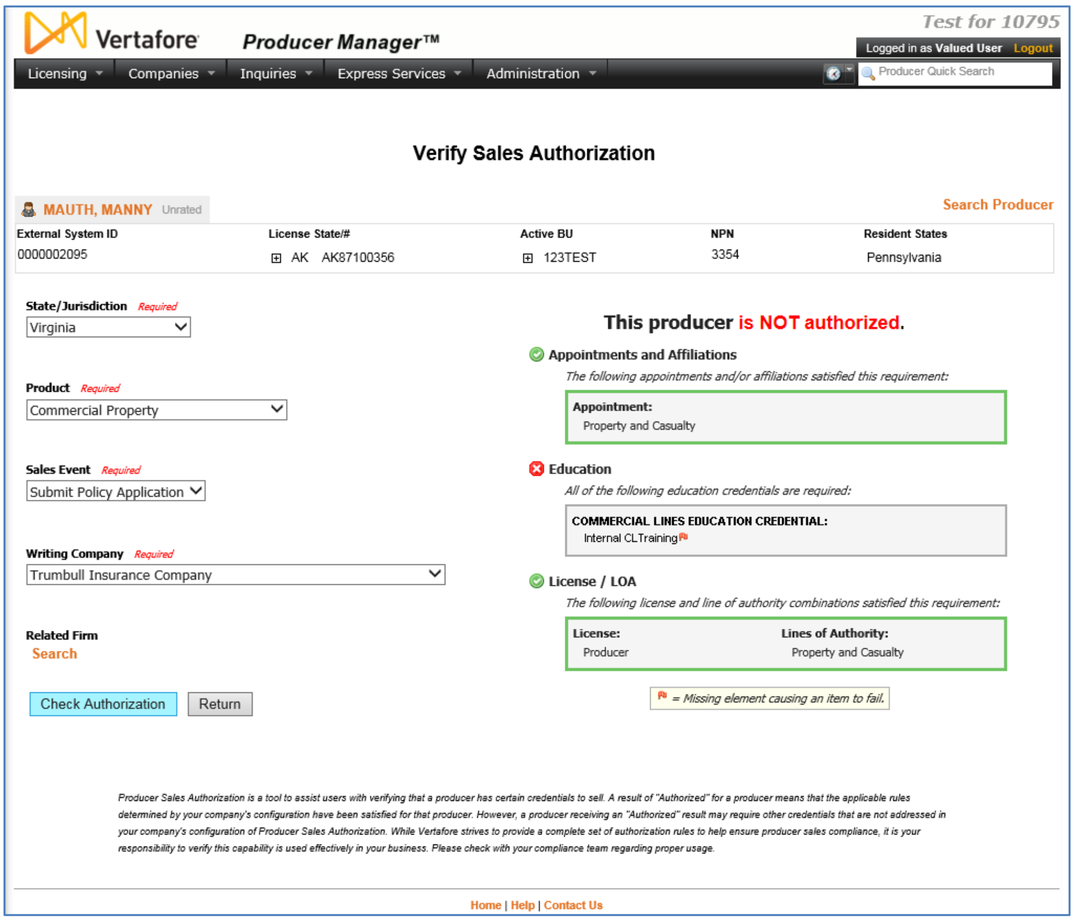


Figure 21 - A sales authorization check will alert you to a shortcoming in the training required to represent a product.

If your company already is using the Education Credentials capability in Producer Manager, all you need to do is to configure Sales Authorization to begin factoring them into results. In the section below, we will discuss how this is accomplished.

Tip: If your company is not yet using Education Credentials, or if you need a refresher on how to set them up, search for the “Sircon Producer Manager Education Credentials User Guide” in the Producer Manager online help.

© 2016, Vertafore, Inc.

Set Up Education Credentials for Sales Authorization

The primary aim when configuring education credentials information into Sales Authorization is to *tie specific product types with all of the various education credentials that would make a producer eligible to represent those product types*.

For example: Let's say your company has a sales channel that sells long-term care (LTC) insurance in Ohio, Illinois, Pennsylvania, and Minnesota. These states require that producers are certified as having completed LTC training. In addition to this state-mandated, product-specific training, let's say your company has an internal requirement that Life/Health agents must take annual Health Insurance Portability and Accountability Act (HIPAA) training.

In Producer Manager, each of these requirements may be configured as separate education credentials. Underlying each education credential is a credential program that controls the details: who's eligible, what coursework or training certification qualifies, how many hours, how frequently, etc. (See Figure 22 for an example.)

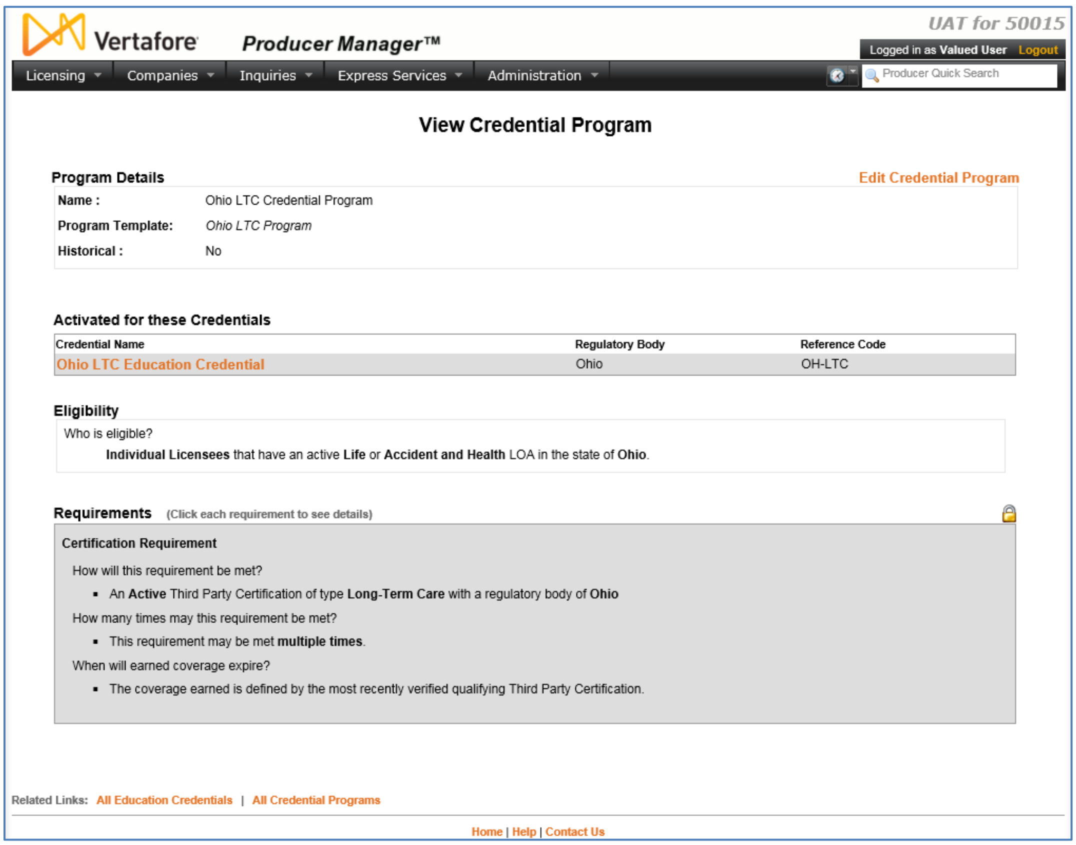


Figure 22 - Details of an education credential.

So, before education credentials can be configured to work with Sales Authorization, in this example, you would want to verify that there are active education credentials configured for the following:

- Ohio LTC
- Illinois LTC
- Pennsylvania LTC

© 2016, Vertafore, Inc.

- Minnesota LTC
- Internal Company HIPAA Training

To review a list of configured education credentials, from the **Administration** menu in Producer Manager, select **Education Credentialing**, and then select **Education Credentials**.

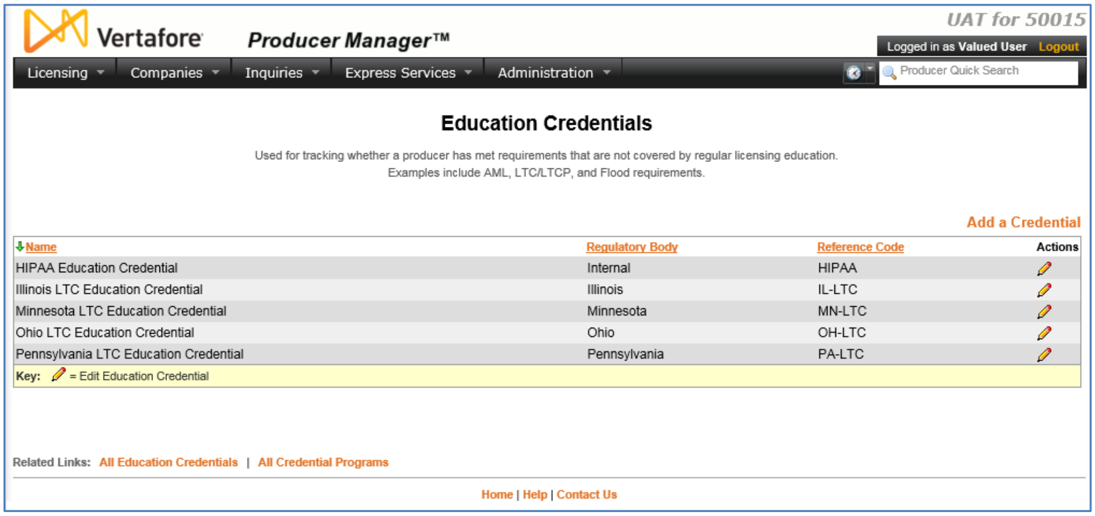


Figure 23 - Configured education credentials are ready to be tied to one or more product types.

Once the necessary education credentials are verified, you are ready to tie them to a product type.

Use the following steps:

From the **Administration** menu select **Sales Authorization**, and then select **Education Settings**.

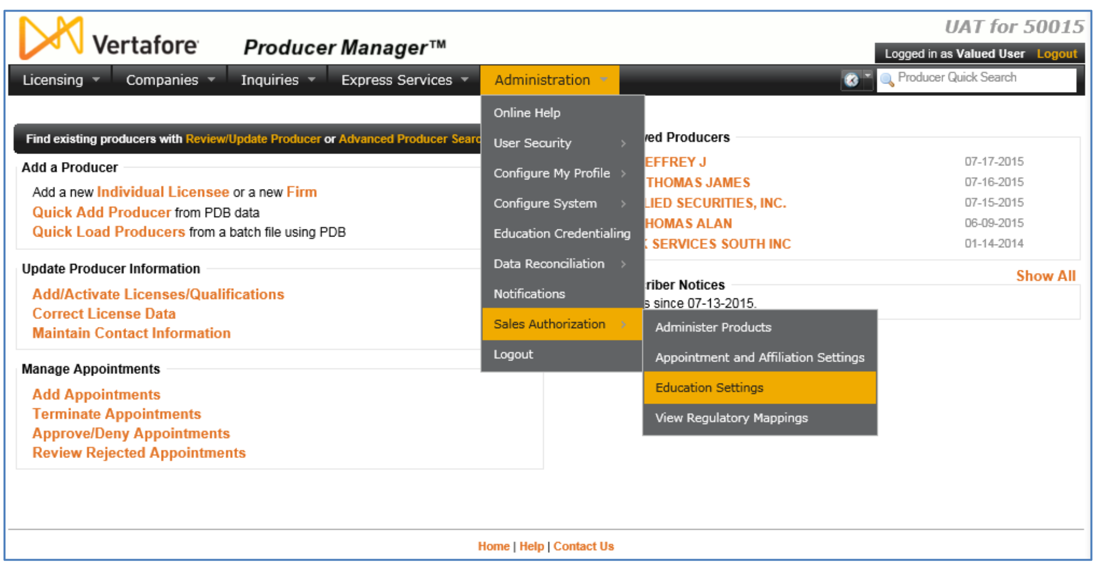


Figure 24 - Open the Education Settings page to begin configuring the use of education credentials as a factor in a sales authorization check.

The **Education Settings** page will open.

© 2016, Vertafore, Inc.

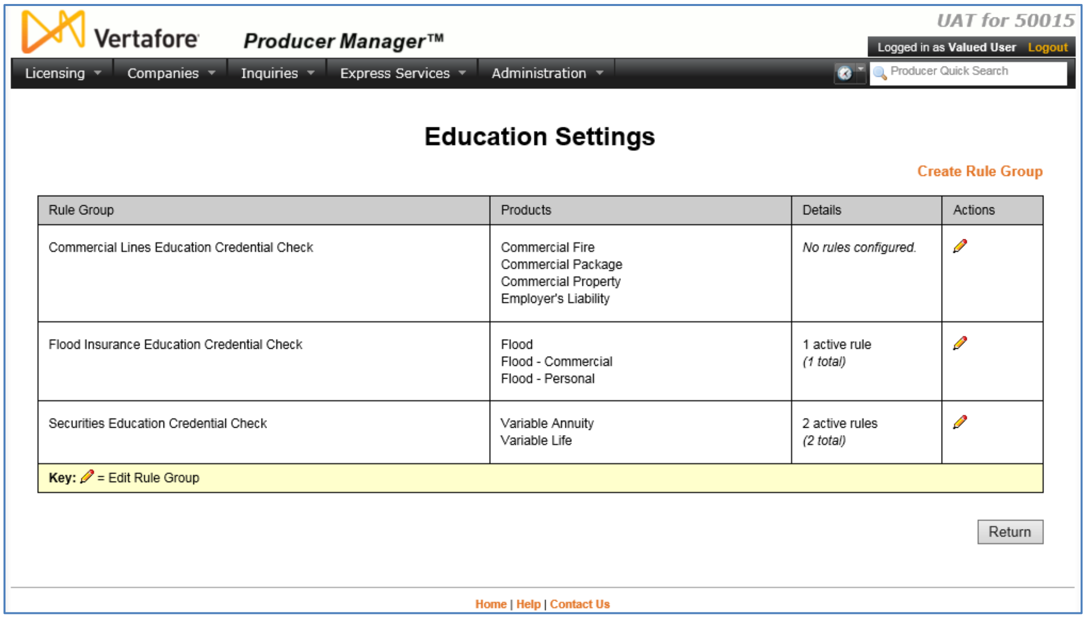


Figure 25 – The Education Settings page displays and lets you configure Rule Groups for education credential checks.

Before we get busy with our configurations, let's pause a moment to size up our work…

Remember we said earlier that the goal when configuring Sales Authorization for education credentials is to think about which product types should be tied to which education credentials.

In Figure 25, you can begin to see these linkages. Each item listed in the **Rule Group** column of the table broadly defines a type of sales authorization check based on product types and education credentials. Whenever a sales authorization check is requested for a producer for a given product type, the system will refer to the appropriate **Rule Group** to determine how to process the request.

Each **Rule Group** may consist of combinations of rules. Rules governing sales authorization checks for education credentials can be tailored to be extraordinarily granular. Besides the product type that triggers all of the logic contained in a **Rule Group**, rule settings may include the following variables:

- All or specific sales events, the point at which a producer's sales authorization is being checked
- All or specific regulatory bodies (states) in which a producer's sales event (activity) is being conducted
- One or multiple education credentials for which a producer is being checked
- One or multiple firms that are included in the sales authorization request and to which specific education credential rules apply. (They would likely be firms with which checked producers are affiliated and that have their own training or certification programs.)
- The period of time that a rule will be enforced for a sales authorization check, either a fixed period or indefinitely

It may help to think of configuring rule groups in "layers" of rules. For example, you can apply a generic, "one-size-fits-all" rule that will apply to any sales authorization check of education credentials for a specific product type. You might think of this rule as a "base layer." Then, you can add additional, more conditional layers to the base.

© 2016, Vertafore, Inc.

For example, your company's business rules may require a producer to hold a certain education credential only when binding a policy in a certain state. Or, they may require a producer to hold a specific education credential only if the producer is affiliated with a specific firm. You can configure these additional rules, so that a sales authorization request for a producer will check for compliance with the base layer rule and then also any additional, conditional rules.

You can review the rules for a selected **Rule Group** by clicking its **Edit Rule Group** button (✎). The **View Rule Group** page will open.

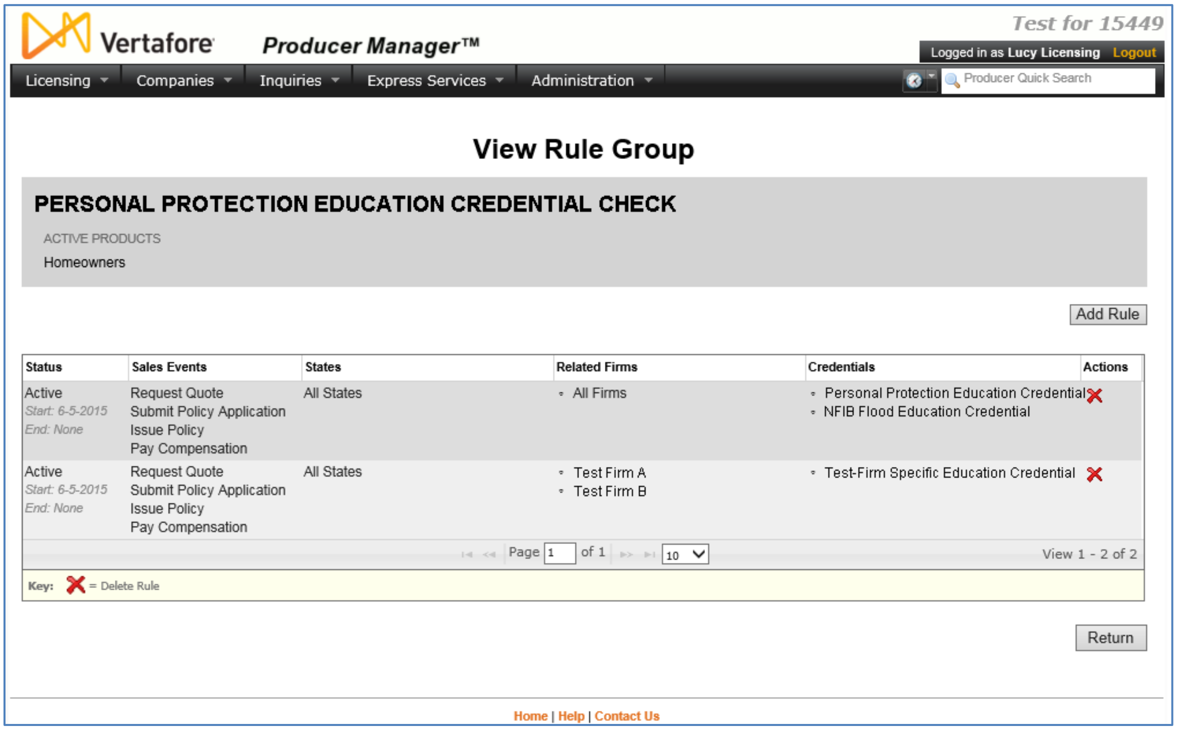


Figure 26 - On the View Rule Group page, you can see the layers of rules that the system will apply to sales authorization checks for education credentials.

In the example shown in Figure 26, you can see that two rules have been configured and are currently active for the "Personal Protection Education Credential Check" **Rule Group**. Note that the product type criterion that would need to be included in a sales authorization request in order to trigger the rules is "Homeowners."

Although the rules in this **Rule Group** include default **Sales Event** (any) and **State** (all) settings, they are set intentionally to check for certain education **Credentials** based on **Related Firm** criteria included in any sales authorization check request for the Homeowners product type. The logic applied is as follows:

- If no specific **Related Firm** is included in the request (i.e., "All Firms"), then the system will check if the producer holds an active Personal Protection Education Credential and an active NFIB Flood Education Credential
- If the request includes Test Firm A or Test Firm B as **Related Firm** criteria, then the system will check if the producer holds an active Personal Protection Education Credential, an active NFIB Flood Education Credential, and an active Test-Firm Specific Education Credential

© 2016, Vertafore, Inc.

Armed now with an understanding of how the system applies the rules configured for a sales authorization check for education credentials, let's step through how to configure them.

On the **Education Settings** page, click the **Create Rule Group** link. The **Create Rule Group** page will open.

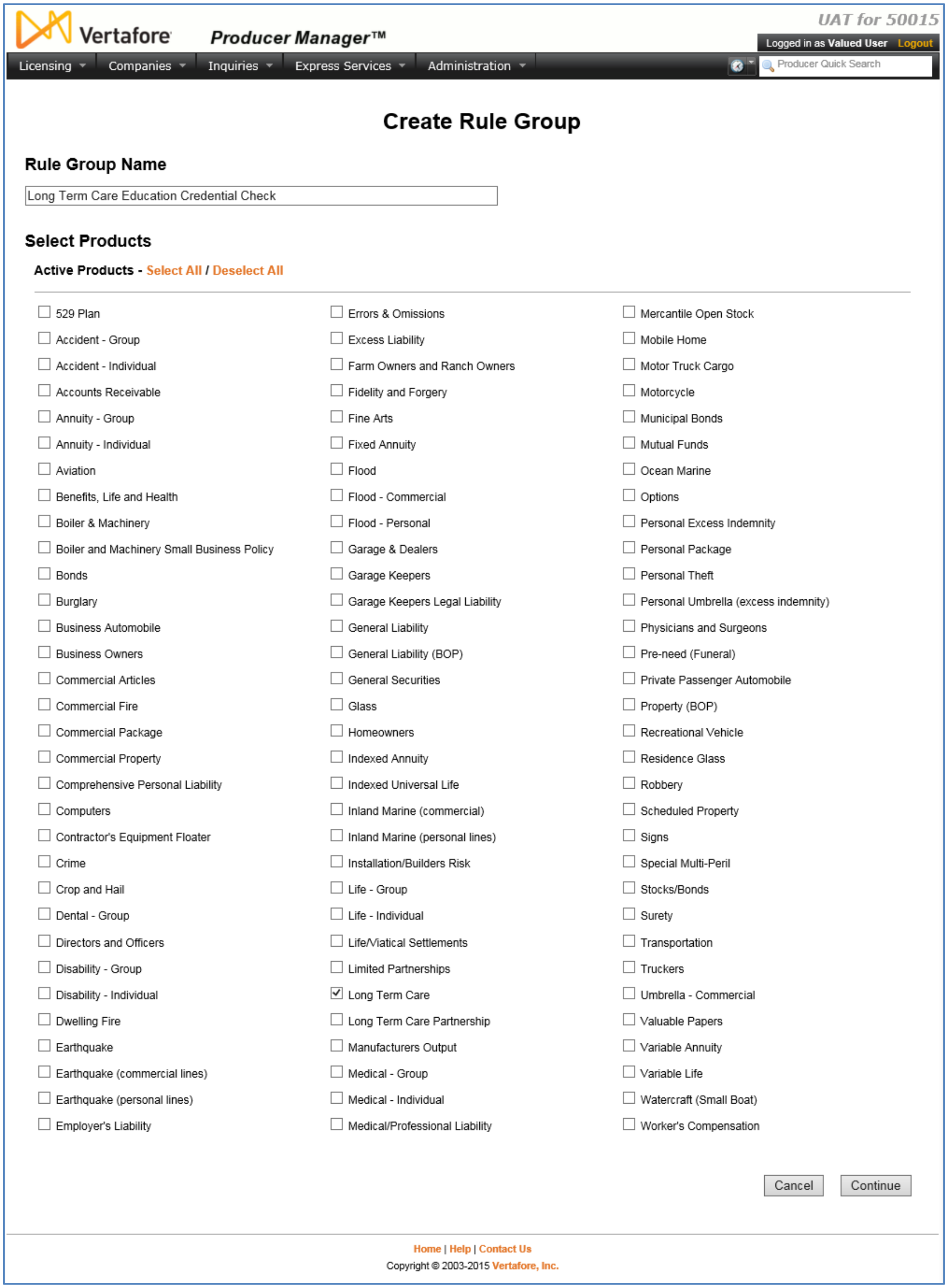


Figure 27 - Use the Create Rule Group page to configure a new rule group for one or multiple selected product types.

In the **Rule Group Name** field, enter the name of the rule group. A best practice is to name rule groups based on the product lines for which education credentials are to be checked.

In the **Select Products** section, click to checkmark the checkbox related to one or multiple specific product types that, when included in a sales authorization request, the system will check to see if the producer holds supporting education credentials (which we will configure in a subsequent step).

You might wonder where this list of product types comes from. They are the products that you configured as being “active” for Sales Authorization on the **Administer Products** page. (See “Customize the Product List” on page 16 for a review.)

When you are ready to set up the first rule for your new rule group, click the **Continue** button. The **Create Rule - Dates** page will open.

Note: After entering a valid **Rule Group Name** and selecting at least one product type, when you click the **Continue** button the system will save the rule group to the **Education Settings** page, even if you have not configured any rules for it. Although later you may edit the rule group to add rules, you cannot delete a rule group once it is saved to the **Education Settings** page. Therefore we urge caution when using the **Create Rule Group** page to avoid creating unwanted rule groups.

Setting up a rule for a rule group follows a “wizard” procedure. The **Create Rule – Dates** page is the first step in the wizard. Use it to define a date interval during which the rule will apply to the sales authorization check for education credentials.

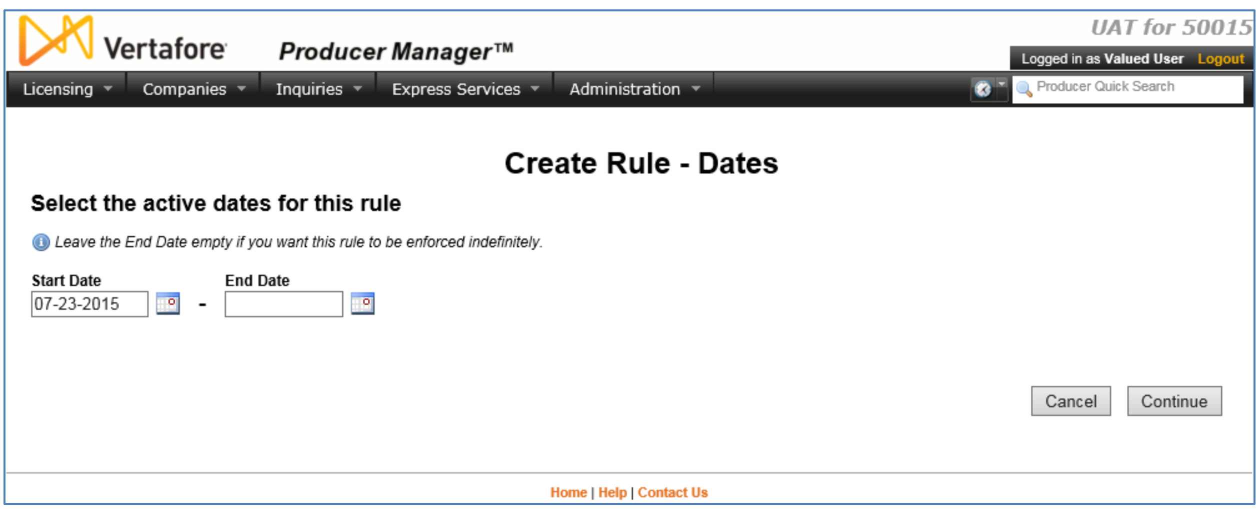


Figure 28 - Define an active date interval on the Create Rules - Dates page.

Enter the date interval for the rule to be actively applied. The **Start Date** defaults to the current date, but you may enter any date in the past or the future.

Ordinarily, you would want a rule to be enforced indefinitely, or until you delete the rule, which you may do after the rule is completely configured. But if for some reason you want a defined **End Date** for the rule, this is your only chance to configure it that way. You cannot modify a rule date range after it has been set.

© 2016, Vertafore, Inc.

When you are ready to move on, click the **Continue** button. The **Create Rule - Sales Events** page will open.

Figure 29 - Set stages of the sales cycle that the rule will be enforced on the Create Rule - Sales Events page.

On the **Create Rule – Sales Events** page, you can select one or multiple sales events to apply as criteria for the rule. The rule will be applied to a sales authorization check request that includes one of the configured sales events.

“All” sales events is the default selection. Your company’s business requirements might require that the education credential check should apply only to one or multiple. If so, simply click to de-select any sales event that doesn’t apply.

Click the **Continue** button. The **Create Rule - States** page will open.

Figure 30 - Configure the states to which the rule will apply on the Create Rule - States page.

On the **Create Rule – States** page, you can configure specific state or regulatory body settings to a rule. Some pointers are as follows:

- If you are configuring a rule that would check for an education credential no matter what state is passed as criteria in the sales authorization request, click the **No, this rule applies regardless of state** radio button. A good example would be an education

© 2016, Vertafore, Inc.

credential for a company-required training, such as the HIPAA training mentioned earlier, or for a federal training requirement, such as the AML training also mentioned earlier.

- If you want to limit the rule to check for an education credential pertaining to a single state that is included as criteria in the sales authorization request, click the **Yes, this rule applies to selected states** radio button. Then, click to checkmark the checkbox associated with the selected state. A good example would be an education credential related to a state requirement, such as annuities suitability training or long-term care certification.

Your chosen states criteria automatically will narrow the list of education credentials available for configuring in the last step of the wizard.

When you are ready, click the **Continue** button. The **Create Rule – Related Firms** page will open.

Figure 31 – You can configure the rule to apply only if a specific firm is included in a sales authorization check request on the Create Rule – Related Firms page.

On the **Create Rule – Related Firms** page, you can limit the criteria of the rule to apply only to one or multiple specific firms that are included in the sales authorization check request. Some guidelines are as follows:

- If you want the rule to be enforced when no **Related Firm** criteria is included in the sales authorization check request, then click the **No, this rule applies regardless of firm** radio button
- If your company depends on a specific distributor partner (firm, agency, or broker/dealer) to provide or certify producer training, you would want to click the **Yes, this rule applies to selected firms** radio button, and then search for and select the firm to which the rule will apply. Then, that specific firm must be included as **Related Firm** criteria in the sales authorization check request for the rule to be enforced.
- If, as above, you have a rule defined for a specific firm, you can configure another rule that will apply to any other firm included as **Related Firm** criteria in the sales authorization request. Click the **Yes, this rule applies to firms not covered by another rule** radio button. Then, the rule will be enforced whenever **Related Firm** criteria is passed in the request that identifies *any* firm not specifically configured in another rule in

© 2016, Vertafore, Inc.

the rule group. Think of it as a catch-all to make sure that all producers are checked when specific firms have been called out by other rules

Remember, rules in a rule group can be configured in layers. So you can configure a rule that expresses a base education credential requirement for producers, regardless of firm. Then, you can get more granular and add more rules that express specific requirements depending on the producer's related firm. Producers affected by the latter rules will need to meet the base requirement as well as any other firm-dependent, conditional requirements.

When you are ready, click the **Continue** button. The **Create Rule – Education Credentials** page will open – the last step in the wizard.

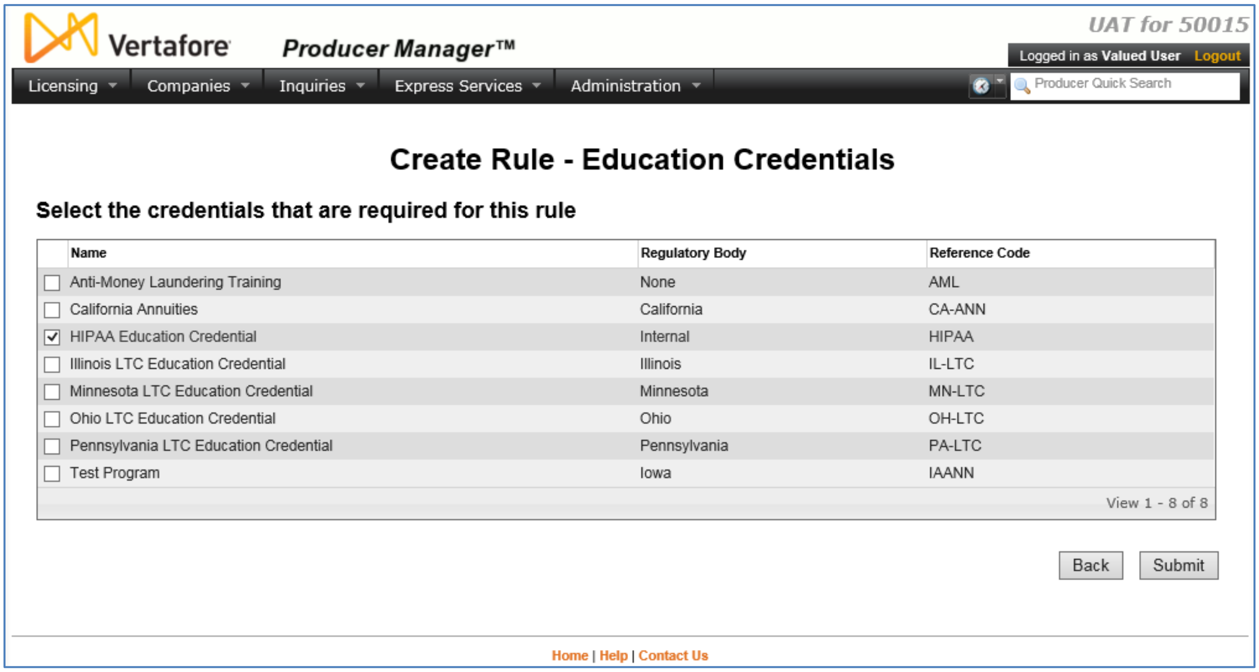


Figure 32 - Choose the education credential(s) required by the rule and then save the rule itself on the Create Rule - Education Credentials page.

On the **Create Rule – Education Credentials** page, complete the rule configuration by choosing one or more education credentials to which the other configurations of the rule will apply. When you are finished, a sales authorization check on a producer for the given product type, state, sales event, and related firm criteria (if any) must hold the chosen active education credential(s) defined in the rule, in order to return an "Authorized" result.

If you selected specific state criteria on the **Create Rule – States** page, the list of available education credentials will be limited to only those that are applicable to the selected state(s). Otherwise, all active education credentials will display, and you might have to page through the list to find the education credential you wish to select.

Click to checkmark one or more education credentials, and then click the **Submit** button. The **View Rule Group** page will open, where you can see a summary of your rule configuration.

© 2016, Vertafore, Inc.

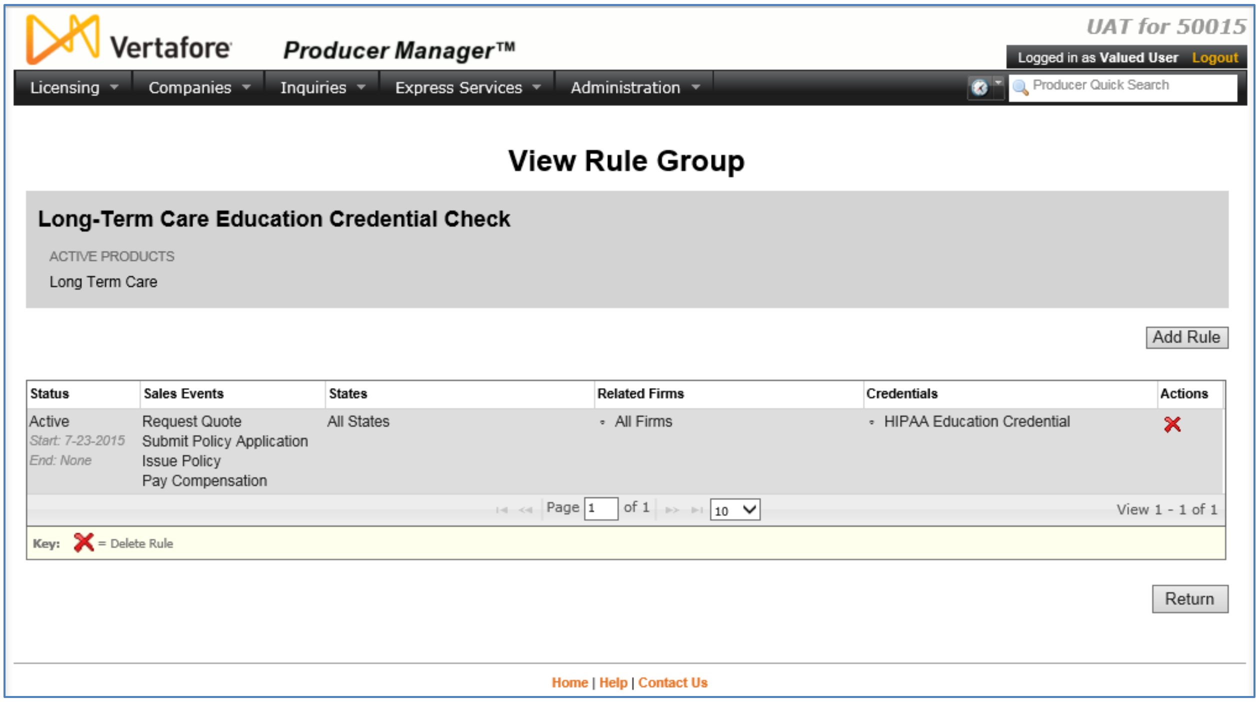


Figure 33 - Review the rule configuration on the View Rule Group page.

To add more rules to the rule group, click the **Add Rule** button. The **Create Rule – Dates** page will open again, re-launching the rule configuration wizard.

You needn't configure all rules for the rule group at once. You can always go back and add more rules. Simply find the rule group you want to update on the **Education Settings** page. Click the **Edit Rule Group** button ( ) in the **Actions** column to open the **View Rule Group** page. Then, click the **Add Rule** button to start the rule configuration wizard.

If you make a mistake or otherwise want to get rid of a rule, find the rule on the **View Rule Group** page, and then click the **Delete Rule** button ( ) in the **Actions** column. On the confirmation message box, click the **Yes** button to delete the rule.

Check for Securities Registrations

Besides checking if a producer holds a proper and active license, LOA, appointment, affiliation, and education credential, Sales Authorization also can check for the appropriate securities registrations to represent product types that include underlying securities (e.g., Variable Annuities).

Note: Sales authorization checks for securities registrations must be Vertafore-configured for your company in the system's back end, by updating the productauth.securities_setting table. Please consult your Vertafore representative for assistance.

© 2016, Vertafore, Inc.

Assuming all other compliance information, such as license, LOA, etc., is active and valid, a sales authorization check of an individual producer or rep will return in an “Authorized” result, if she has the following recorded in the **Securities Information** data section of her record in Producer Manager:

- The necessary, active state or SRO registrations with a broker/dealer firm
- Securities registration information with a broker/dealer firm that has been marked as verified by an external source

See Figure 34 for examples.

⊟ **Securities Information** Top

Add/Update/Delete Securities Information

⊟ **Registrations**

⊟ **General Company** 2 SRO 4 State

SRO REGISTRATIONS

SRO	Category	FINRA Status	Approval Date	Status Date	Added By	Updated By
Chicago Stock Exchange	OP-Reg Options Principal	Approved Pending Results	06/04/2015	06/04/2015	Me QA 06/04/2015	N/A
New York Stock Exchange	OP-Reg Options Principal	Approved	05/01/2015	06/04/2015	Me QA 06/04/2015	N/A

STATE REGISTRATIONS

State	Category	FINRA Status	Approval Date	Status Date	Added By	Updated By
Michigan	AG - Broker-Dealer Agent	Approved Pending Prints	06/04/2015	06/04/2015	Me QA 06/04/2015	Me QA 06/04/2015
California	AG - Broker-Dealer Agent	Approved Pending Results	06/04/2015	06/04/2015	Me QA 06/04/2015	N/A
Colorado	AG - Broker-Dealer Agent	Approved	06/04/2015	06/04/2015	Me QA 06/04/2015	N/A
Ohio	AG - Broker-Dealer Agent	Approved	06/01/2015	06/04/2015	Me QA 06/04/2015	N/A

⊟ **NORWAY INS SERVICES** *Verified Externally*

Securities Registration information for this firm is verified by a source outside of ProducerManager.

⊟ **Exams**

Type	Status	Status Date	Added By	Updated By
Financial Operations Principal Exam	Passed	06/01/2015	Me QA 06/04/2015	Me QA 06/04/2015
General Principal Exam Old NY Stock Exchange Series 7	Passed	06/09/2014	Me QA 06/04/2015	N/A
Grandfathered Municipal Securities	Unconditional Waiver	02/01/2005	Me QA 06/04/2015	N/A

Figure 34 - The Securities Information data section of a producer record contains the producer's or rep's securities registrations and exams.

On the other hand, a sales authorization check of an individual producer’s or rep’s **Securities Information** will return a “Not Authorized” result, under the following conditions:

© 2016, Vertafore, Inc.

- She does not hold valid registrations in the state included in the sales authorization request, and an indicator that her registrations have been "Verified Externally" does not exist
- The valid registrations she holds are in Termed or Terminated status
- The valid and active registrations she holds are with a different broker/dealer firm than the one included as Related Firm in the sales authorization request

One nice thing to point out: Unlike sales authorization checks for education credentials, once Sales Authorization for securities registrations is enabled for your company, no customer configuration is necessary for securities registrations checks. All of the configuration, including setting up the crucial relationships between securities product types and required registrations, is handled by Vertafore in the system's back end. You may view the mappings for securities registrations in any state on the **Regulatory Mappings** page.

So, let's have a look at how to request a sales authorization check in Producer Manager for a producer or registered rep…

With a record open in Producer Manager of the producer or rep whom you want to check, click the **Verify Sales Authorization** button.

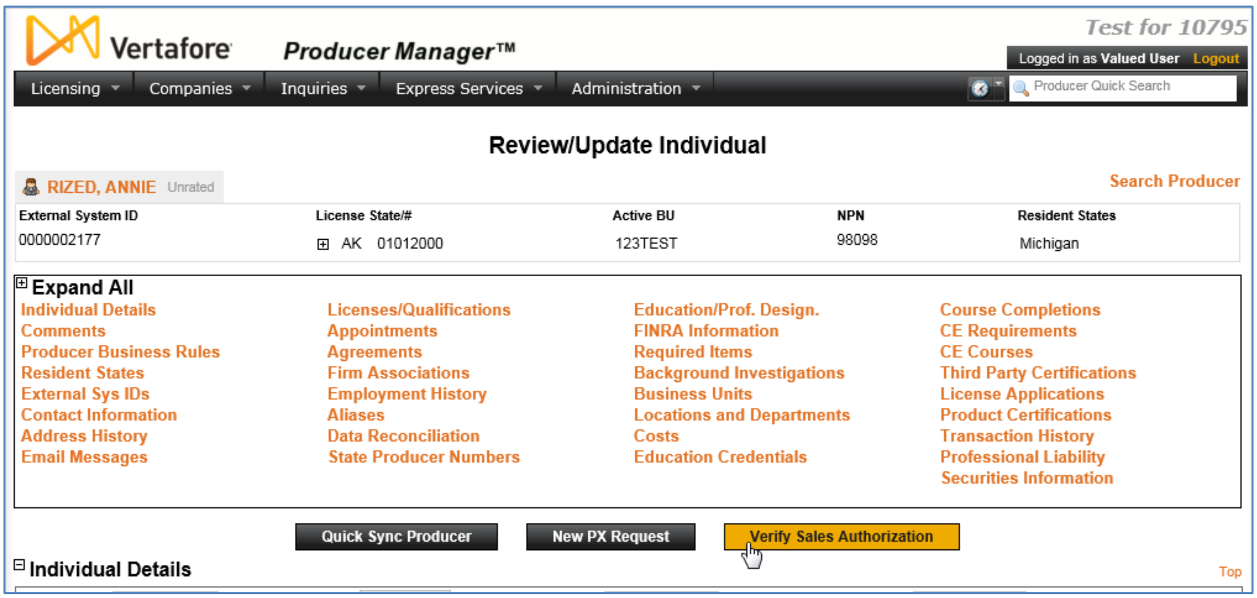


Figure 35 - Click the Verify Sales Authorization button to check a producer's authorization status for securities registrations.

The **Verify Sales Authorization** page will open.

From the **State/Jurisdiction** dropdown menu, select the name of the regulatory body or state for which you want to check the producer's sales authorization.

From the **Product** dropdown menu, select a securities or combined securities product for which you want to check the producer's sales authorization. Note that it must be one of the following for the securities registration check to be successful: Variable Annuity, Variable Life, 529 Plan, General Securities, Limited Partnerships, Mutual Funds, Municipal Bonds, Life/Viatical Settlements, Stocks/Bonds, or Options.

© 2016, Vertafore, Inc.

Note: If you cannot find the product you are looking for, check the **Administer Products** page to make sure that it is active and available in your company's instance of Producer Manager. (See "Customize the Product List" on page 16 for more information.)

From the **Sales Event** dropdown menu, select the stage of the sales process for which you want to check the producer's authorization.

Select the underwriting company for whose securities product you are checking the producer's sales authorization from the **Writing Company** dropdown menu.

Finally, click the **Search** link in the **Related Firm** field. You must select the firm (broker/dealer) with which the producer is affiliated. For securities products checks, this is required.

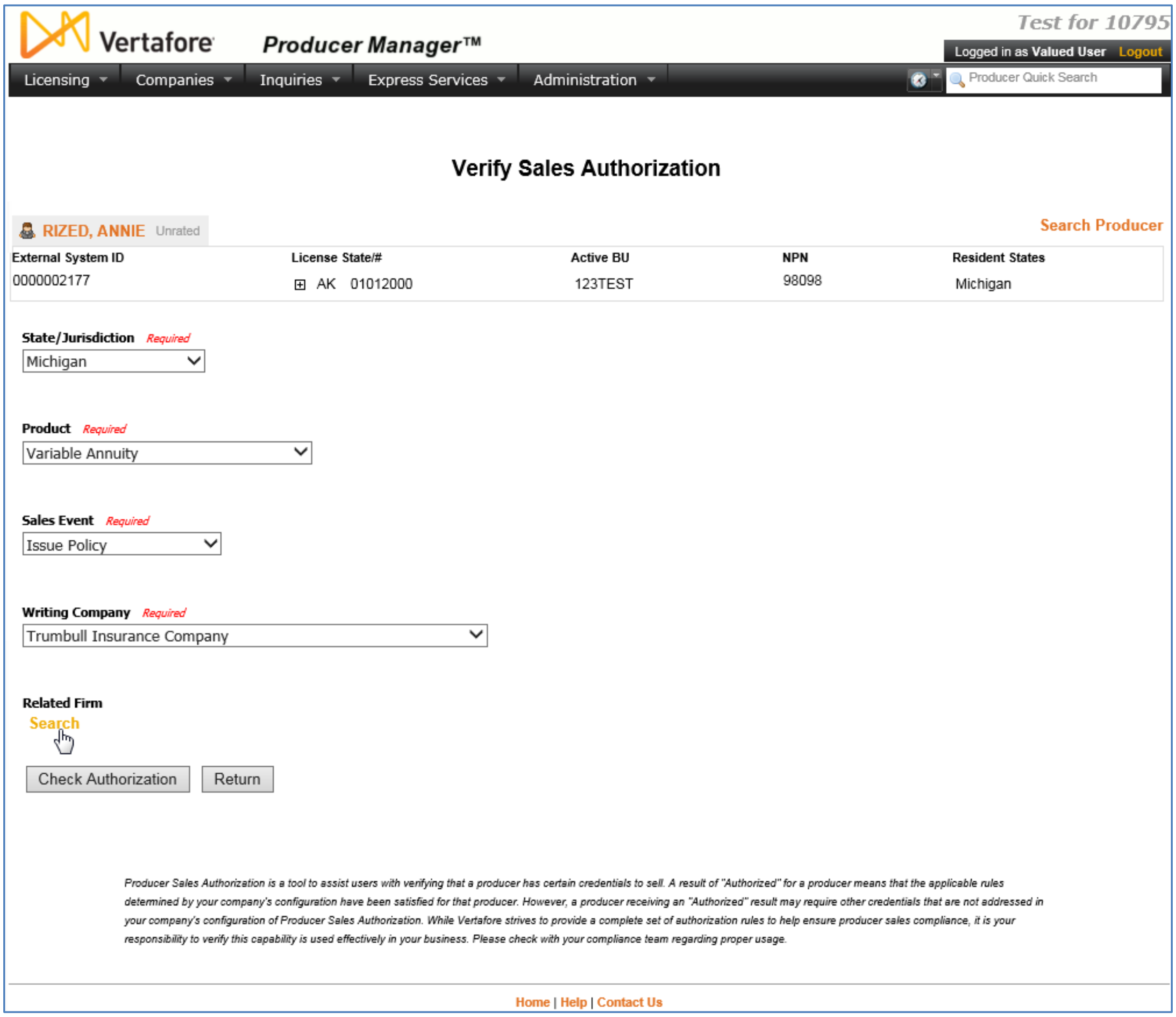


Figure 36 - Sales Authorization checks require the producer's related broker/dealer firm as request criteria.

When you click the **Search** link, the **Search Firm** page will open. Search for the broker/dealer firm using the standard Producer Manager record search procedure. (For more information, see "Searching for Records" in the Producer Manager online help.)

© 2016, Vertafore, Inc.

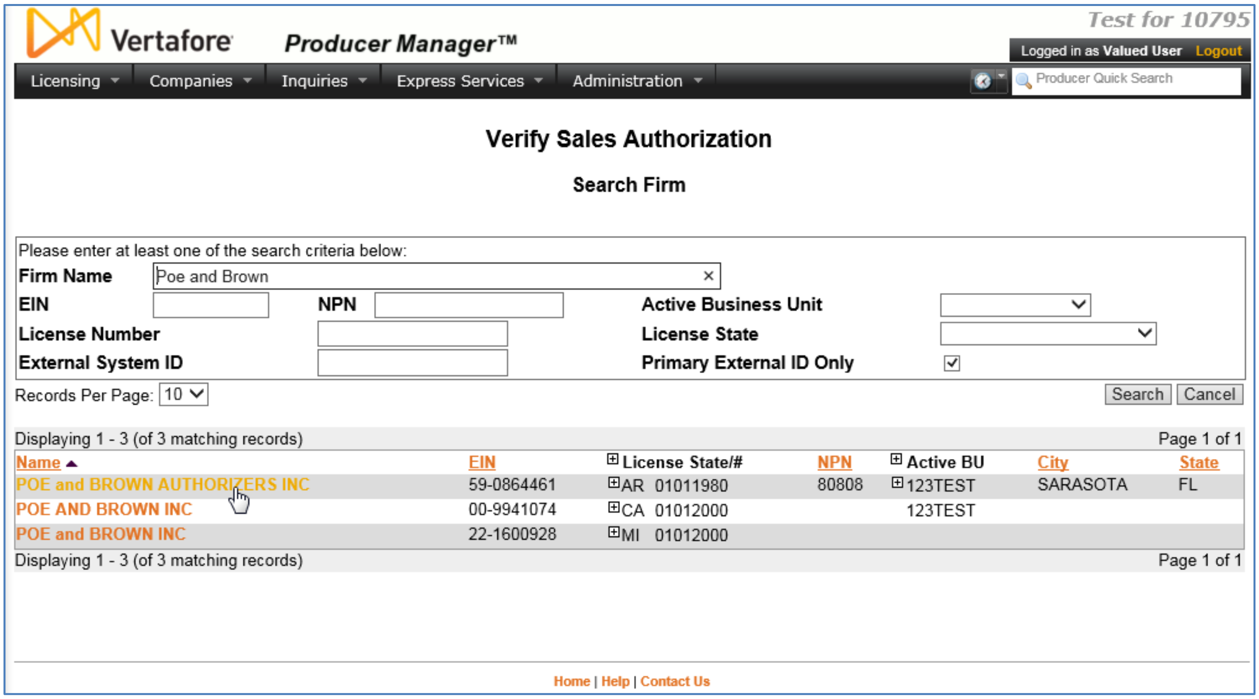


Figure 37 - Search for and select the producer's related firm.

When you are finished, the name of the selected firm will display in the **Related Firm** field.

With criteria selected, click the **Check Authorization** button.

© 2016, Vertafore, Inc.

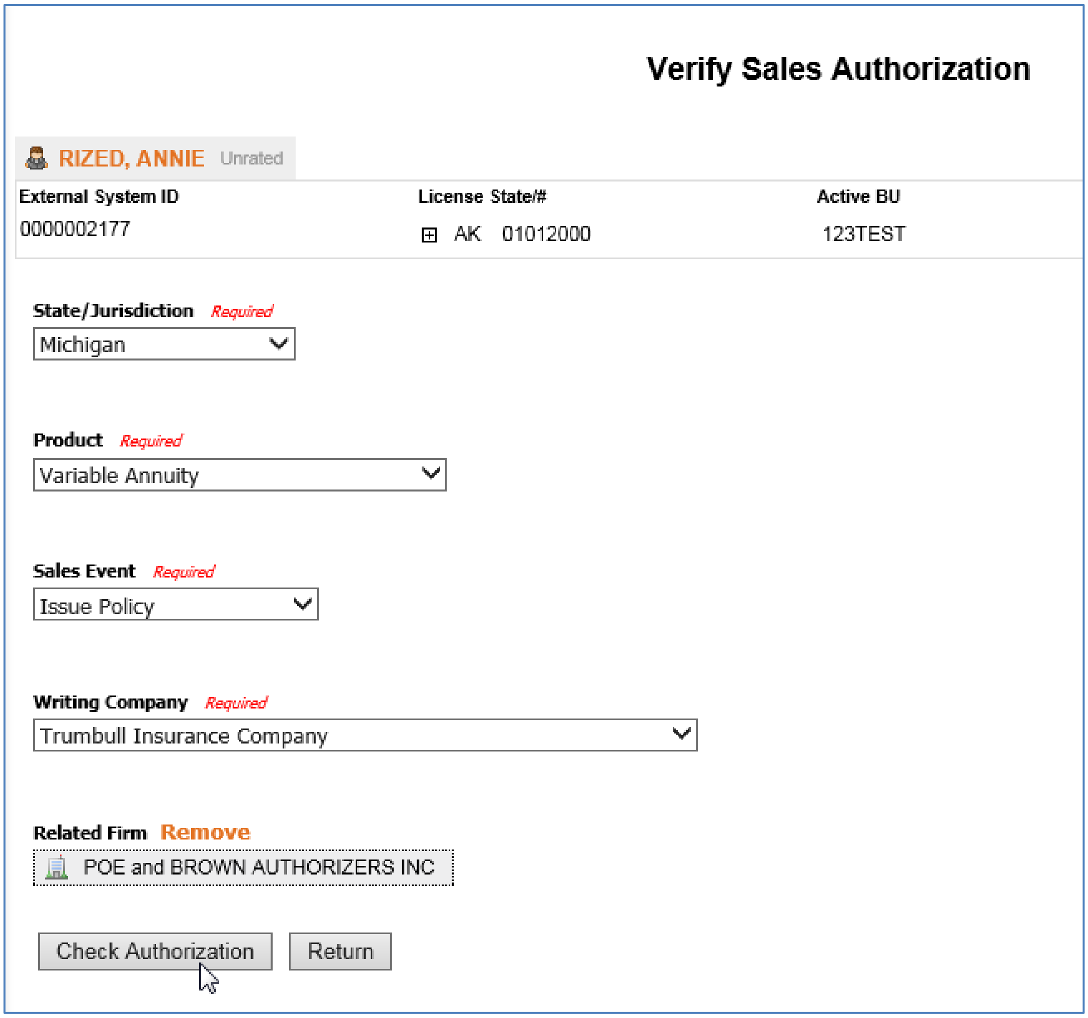


Figure 38 - With all criteria selected, click the Check Authorization button.

The results will display on the right side of the page.

© 2016, Vertafore, Inc.

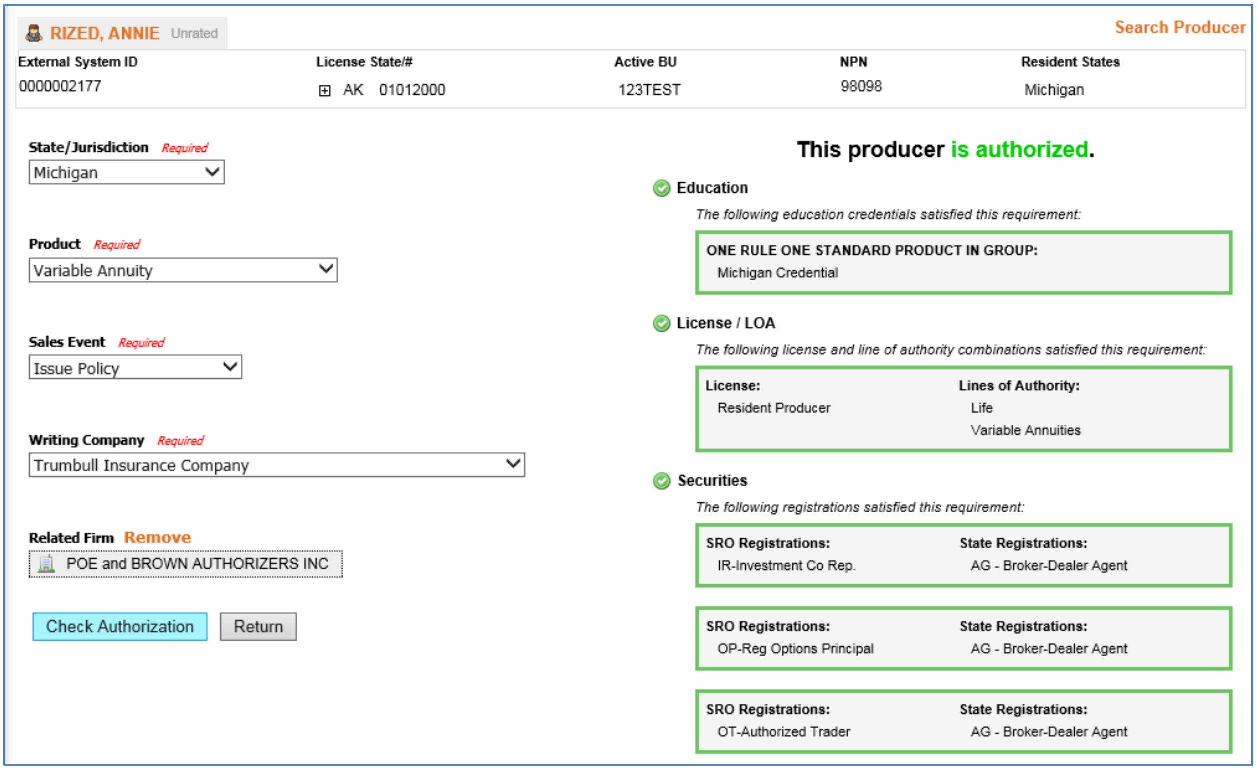


Figure 39 - Review the results of the sales authorization request.

If the product you selected is a securities-only product, such as Mutual Funds, Stocks, or Municipal Bonds, the sales authorization check will return a result for the producer's securities compliance but not for license/LOA or appointments. However, if the product is a combined securities product, such as Variable Annuity, Variable Life, or Life/Viatical Settlement, the result will check for and include the producer's license/LOA, appointment (where applicable) and SRO and state securities registrations.

© 2016, Vertafore, Inc.

Using Sales Authorization in an Onboarding Workflow

As we saw in the preceding sections, Sircon Producer Manager can easily and rapidly deliver a sales authorization result.

But now consider these twists:

- Instead of "Is this producer authorized?," what if the question becomes, "How do I get this producer authorized?" Because that is really the central question when your company is onboarding a new producer. The producer will be selling certain kinds of products in a state, so if the producer is found to be lacking the specific regulatory credentials to be authorized to do so, you're going to want to close that gap, and fast.
- A producer isn't always selling just one product type in only one state. Sometimes a producer needs to be set up to sell 10 products in 10 states across five underwriting companies. It really isn't feasible to manually run 500 sales authorization checks to make that happen. So a way to automate "group" sales authorization checks and then automatically act on the results becomes a very valuable tool.

In this section, we'll examine how producer Sales Authorization can be incorporated into automated workflows in Producer Manager's companion application in the Sircon Platform, Producer Express.

Request Producer Sales Authorization in Producer Express

If your company subscribes to the full Sircon Platform, Vertafore can set up Producer Express to perform a producer Sales Authorization check as part of a producer onboarding workflow. And if you are a satisfied user of Sircon's Bulk Transaction Processing or Bulk Business Data Updates module, then you will be happy to know that Vertafore can configure bulk producer sales authorization requests.

But instead of checking whether a producer is authorized for merely a single product type in a single state and for a single underwriting company, as we saw in Producer Manager, Producer Express can perform what is referred to as a "group authorization" check.

Group authorization verifies a producer's regulatory credentials against combinations of product types, states, and underwriting companies, all in one go. For example, you can check a producer's authorization to represent Group Medical and Group Accident policies in eight western states for three companies.

Let's have a look at an example of how this works. But before we start, it's important to note that, like most capabilities in Producer Express, producer Sales Authorization can be Vertafore-configured to flexibly suit your company's particular business needs. Through integration

© 2016, Vertafore, Inc.

between another system and the Sircon Platform, a group Sales Authorization check can even be fired off automatically, and the results can trigger other actions, such as automated appointment requests. So the workflow and screen illustrations that follow may not be identical to your own company's configuration.

To get started, in Producer Express, select the producer group Sales Authorization request type. In our example, this is accomplished by selecting **Start New Request** from the **Available Tasks** menu…

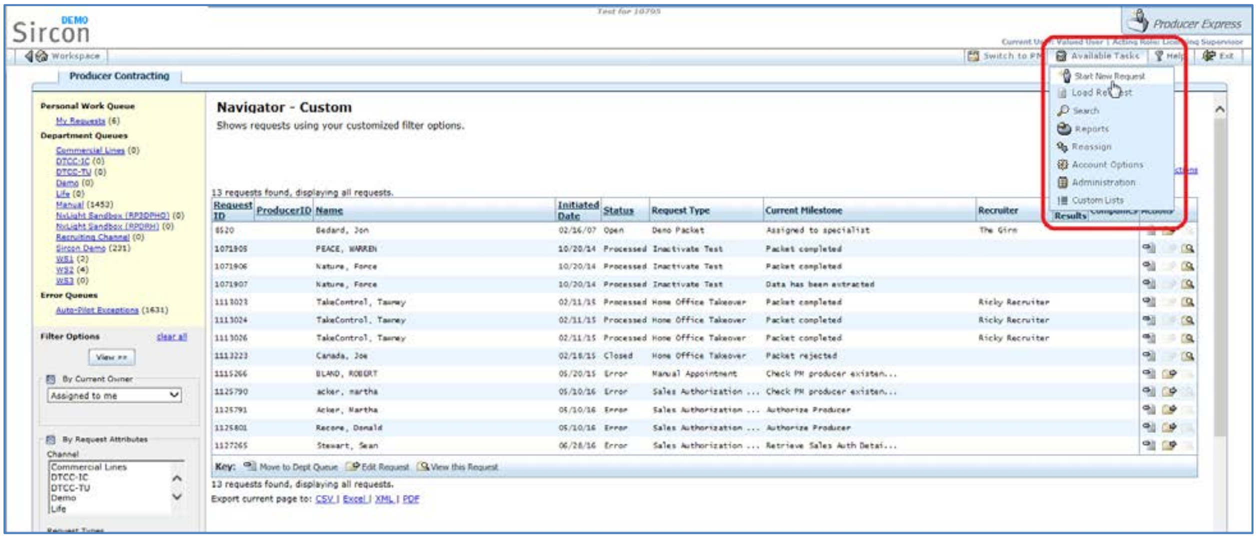


Figure 40 - Start a new producer Sales Authorization request in Producer Express by selecting Start New Request from the Available Tasks menu.

… and then by selecting Onboarding from the **Category Type** dropdown menu and Sales Authorization (Using Auth Profile) from the **Transaction Type** dropdown menu. Then, click the **Continue** button.

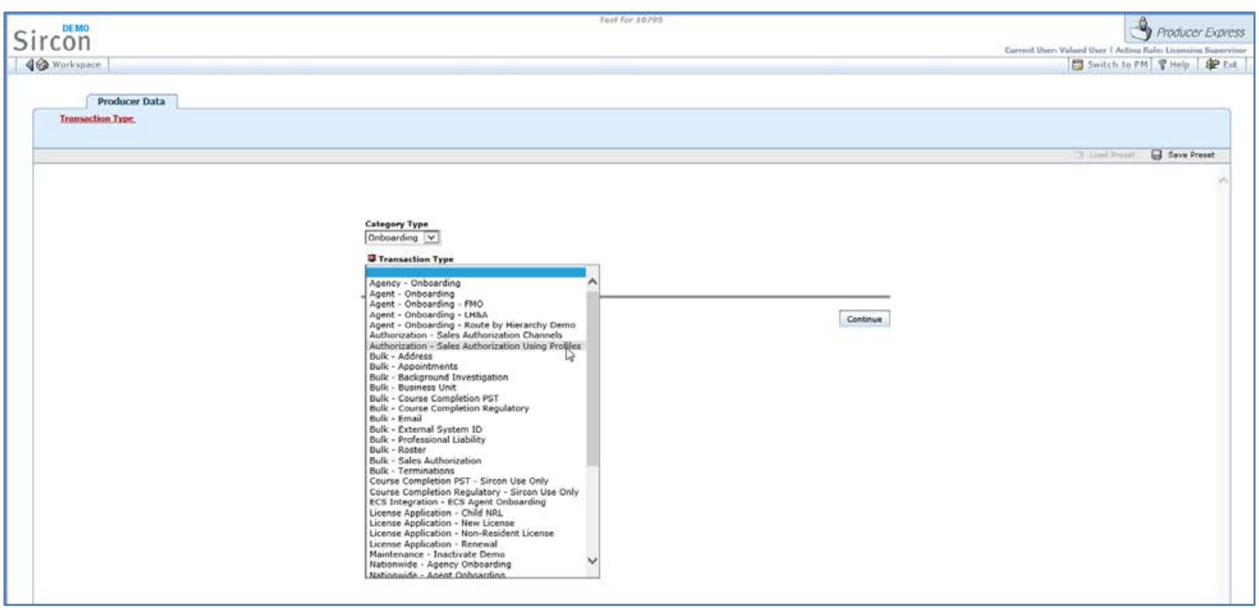


Figure 41 - Select the Sales Authorization request type from the Transaction Type dropdown menu.

© 2016, Vertafore, Inc.

Next, you need to identify whether the producer being checked for sales authorization is an individual licensee or a firm (agency). Then, click the **Continue** button.

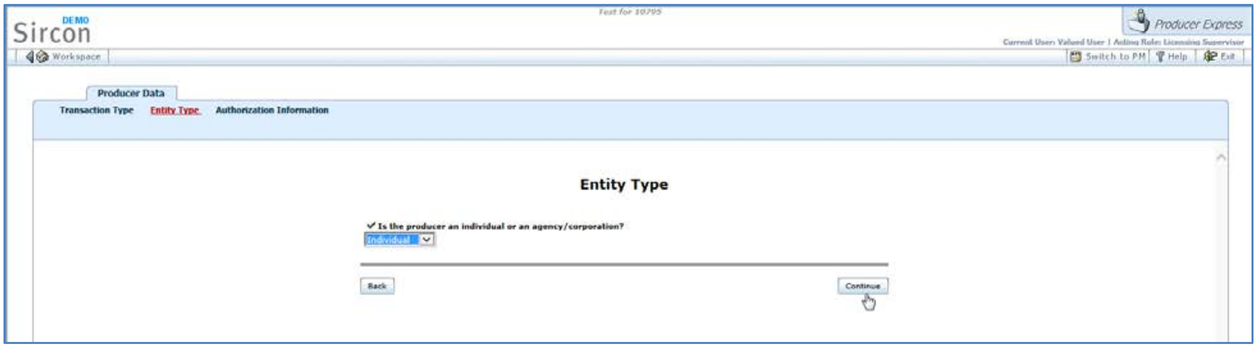


Figure 42 - Identify the producer's entity type.

Of course you need to identify the producer himself. Enter the required information at the minimum, and then click the **Continue** button.

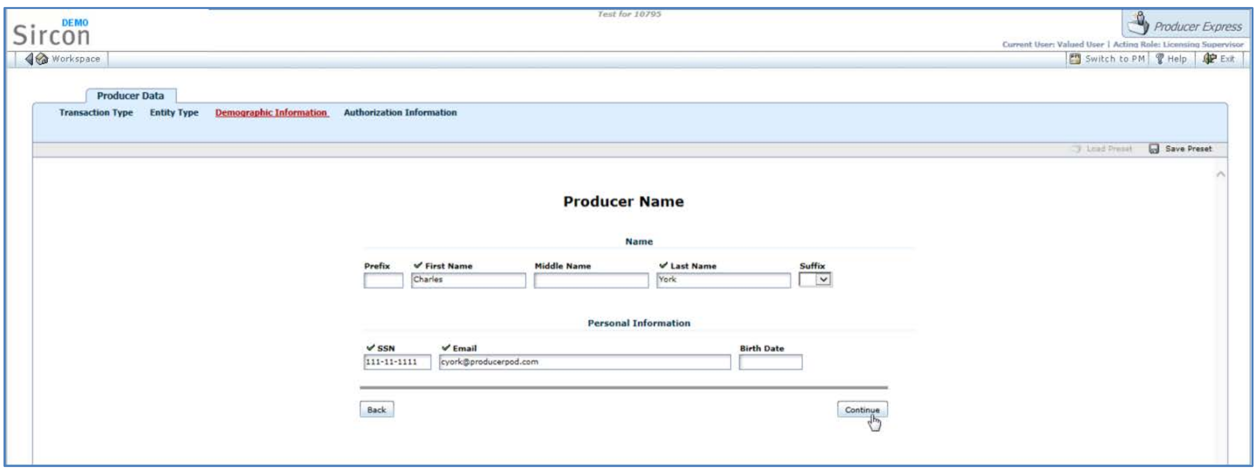


Figure 43 - Identify the producer.

The next page is where you let Producer Express know the details of the sales authorization check you are requesting. First, choose the **Sales Event**, the point in the sales cycle for which you want to verify the producer's fitness. Then, select the **Sales Authorization Profile** you want to apply to the check.

Depending on your company's set-up, other options might be available on this page. For example, Figure 44 shows the **Select subset of states?** option. This would allow you to filter the states criteria built into a selected sales authorization profile to include only certain states. On the next page in Producer Express, you would select which states to include in the sales authorization check request.

© 2016, Vertafore, Inc.

Figure 44 - Choose the Sales Authorization Profile to use for the authorization check request.

A sales authorization profile is a configurable combination of product types, states, and underwriting companies that can be applied to this and to other sales authorization check requests. Think of it as a sort of cookie-cutter, available to shape repeated sales authorization check requests to conform to a constant set of request criteria.

By conglomerating a set of criteria into a reusable profile, you can avoid the time, the trouble, and possible inaccuracies arising from manual selection of sales authorization criteria that you may use frequently when checking sales authorization of one producer at a time or of entire distribution channels.

We'll take a closer look at sales authorization profiles in "Configure a Sales Authorization Profile" on page 52.

When you have finished selecting all criteria, you are ready to run the sales authorization check. Click the **Continue** button.

The Producer Express **Workspace** page will open. You should see your request in Pending status in the **Personal Work Queue – My Requests** section.

© 2016, Vertafore, Inc.

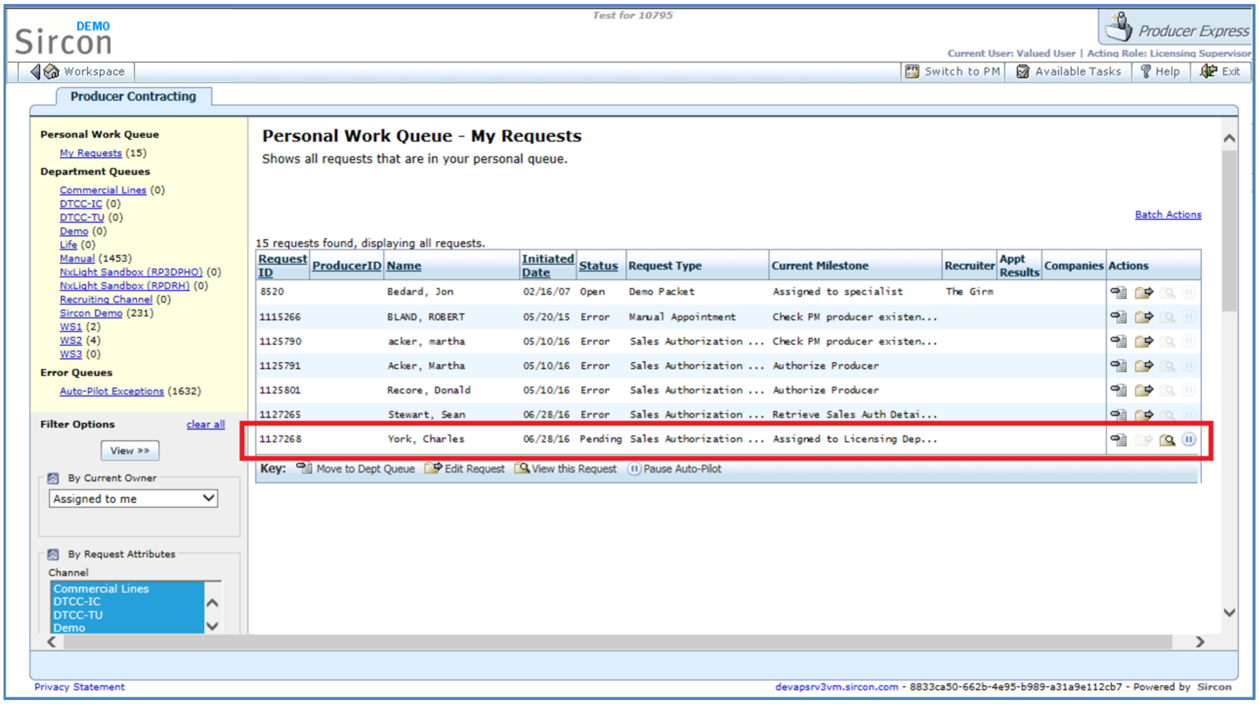


Figure 45 - Producer Express begins processing the sales authorization check after the request is submitted.

What happens during processing is that Producer Express submits the request to Producer Manager, and then Producer Manager (where sales authorization profiles are configured and maintained) uses the specific criteria that are baked into the selected profile to run the sales authorization check. (To review a summary of the process, see “What Exactly is Going On?” on page 8.) Producer Manager then returns a sales authorization result to Producer Express – either “Authorized” or “Not Authorized” – for each product type in each state.

Note: Although the Sircon Platform does support checking for authorization based on a producer’s securities registrations or education credentials, currently sales authorization profiles do not support this capability.

If the sum result of all authorization checks is “Authorized,” then Producer Express will complete processing of the request and assign it a status of “Processed,” as shown in Figure 46. Visually in Producer Express, it can be construed as a signal that the producer is “OK to sell.” However the same result can be passed through integration from the Sircon Platform to another of your company’s systems and trigger a consequent action, such as the release of new business or the issuance of compensation.

© 2016, Vertafore, Inc.

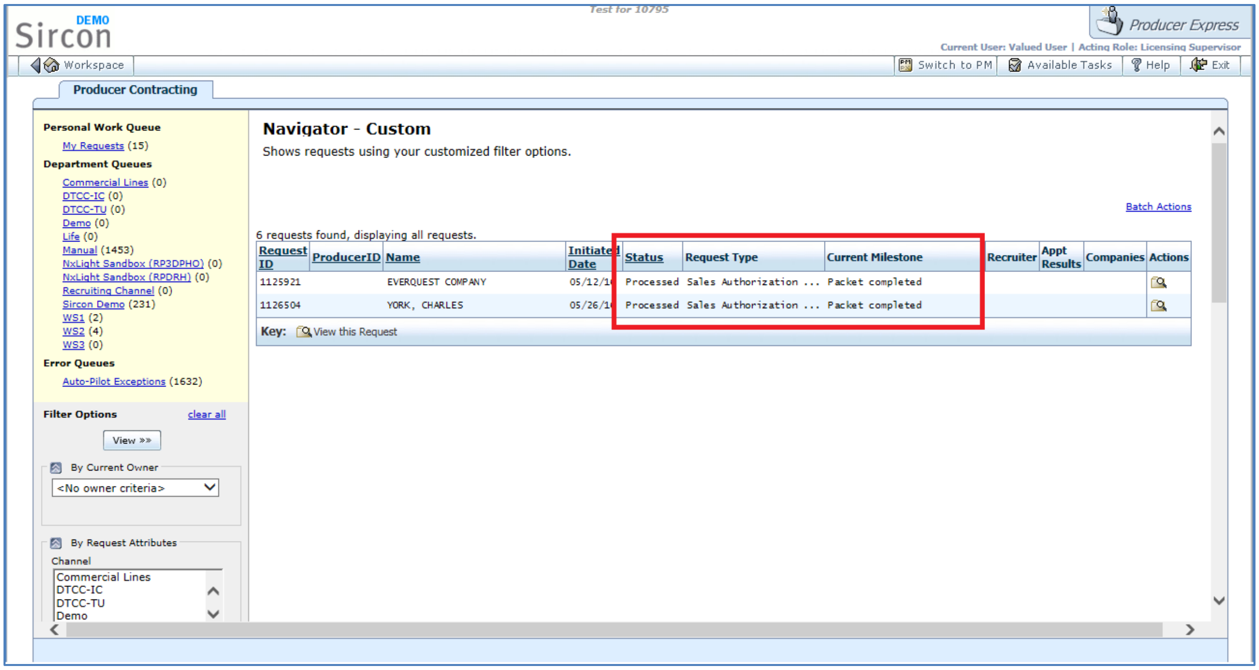


Figure 46 - Requests in which all sales authorization checks returned "Authorized" results are completed with a status of "Processed."

However, if any of the group sales authorization checks returned any result other than “Authorized,” the request will display in Producer Express with an “Error” status, as shown in Figure 47. Erred requests of any type require special handling of some sort. For a producer Sales Authorization request, it can mean that the producer is missing some credentials required to represent the product, as well as the opportunity to obtain those credentials, allowing business to proceed. (A request in “Error” status also can mean there was a problem with the entire authorization check request, such as a data validation, configuration, or system error.)

© 2016, Vertafore, Inc.

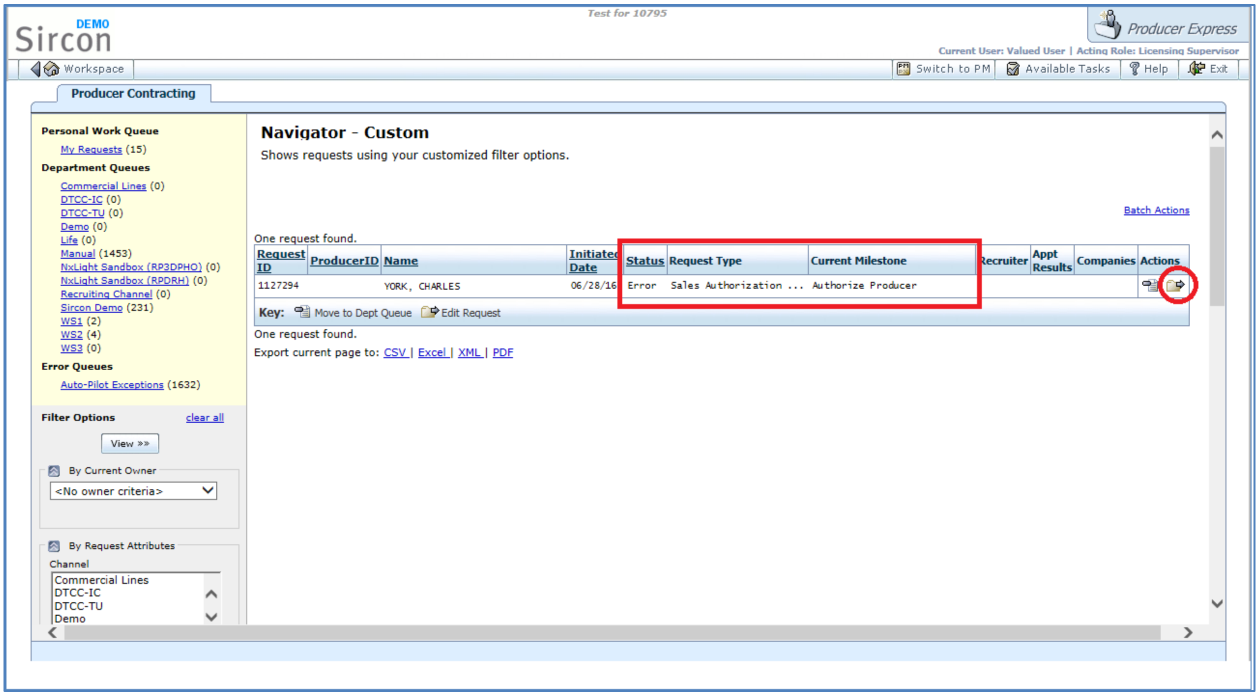


Figure 47 - A request with an "Error" status can mean that the sales authorization check returned one or more "Not Authorized" results.

To investigate the erred request, click the **Edit Request** button in the **Actions** column. The request will open to display the specific error message.

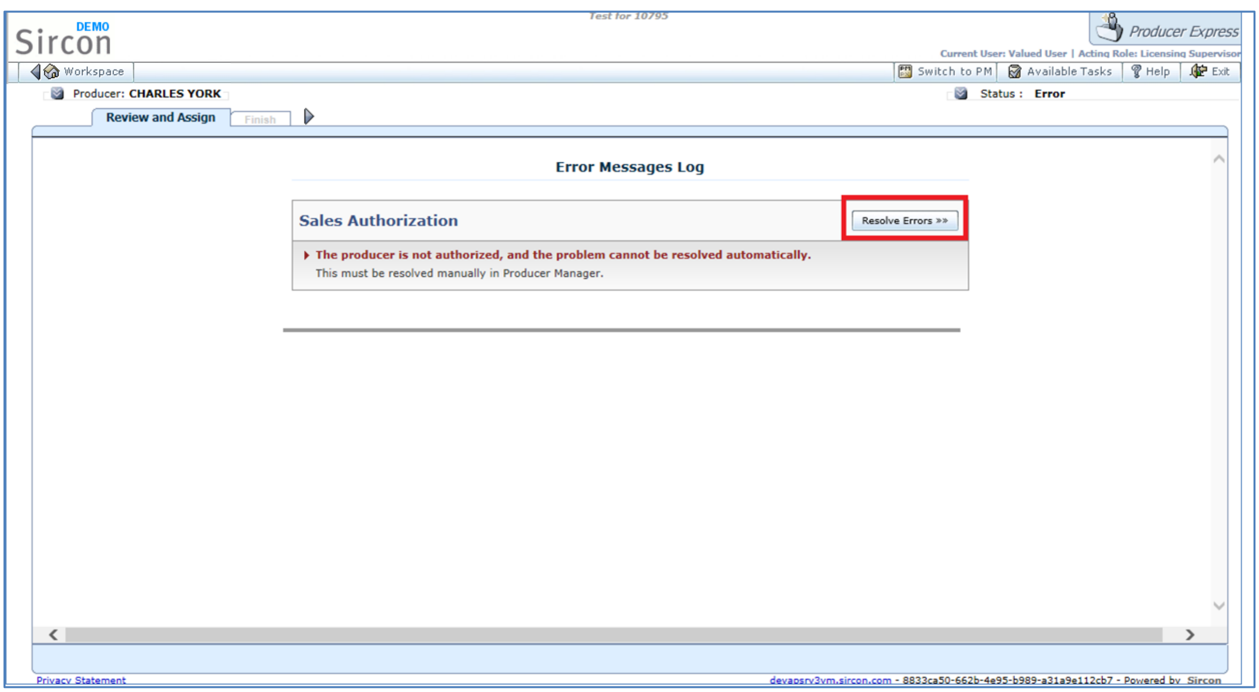


Figure 48 - The "Not Authorized" result error message.

To drill into the nature of the error, click the **Resolve Errors** button. The **Request Details** tab on the **Sales Authorization** page will open.

© 2016, Vertafore, Inc.

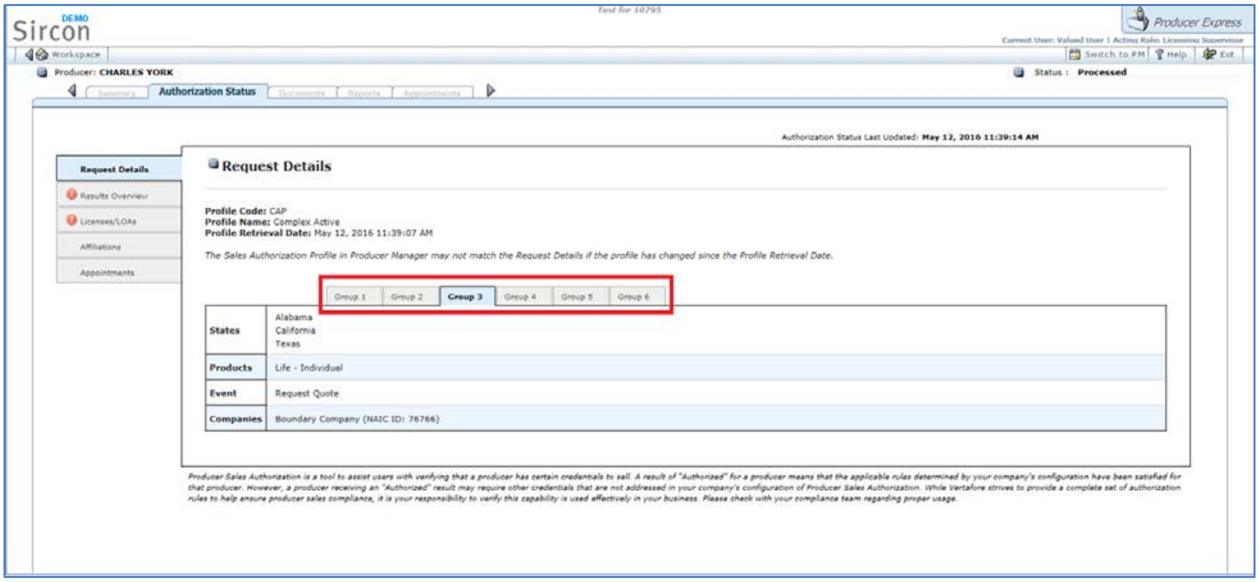


Figure 49 - The Request Details tab shows the criteria for each group sales authorization check.

You can view the criteria that were used in the sales authorization check on the **Request Details** tab. Depending on how the sales authorization profile was configured, the criteria is presented in in one or more groups, selectable within the tab (Group 1, Group 2, etc.). We'll take a closer look at these groups in "Configure a Sales Authorization Profile," starting on page 52.

Each group consists of one **Product** but possibly multiple **States** and **Companies**. Also, the sales event (**Event**) that was chosen for the authorization check is displayed, as well.

Now, click the **Results Overview** tab, just below the **Request Details** tab.

© 2016, Vertafore, Inc.

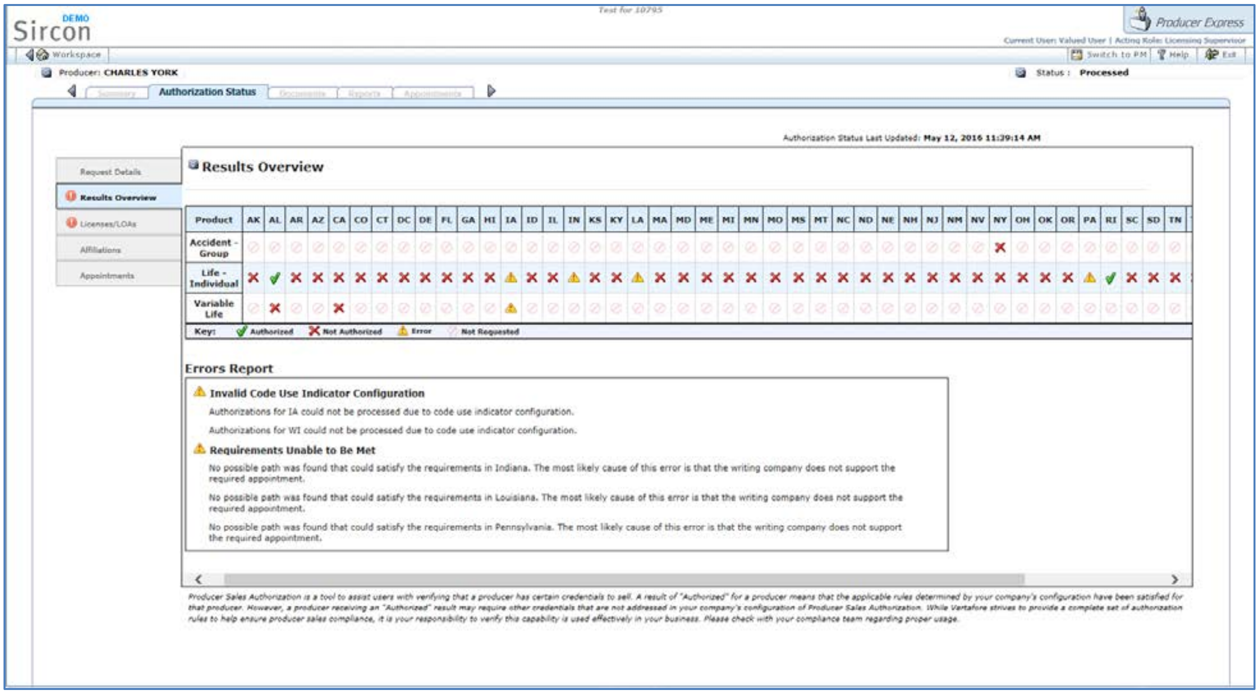


Figure 50 - The Results Overview tab provides a summary of the producer's authorization in all states checked for all requested product types.

On the **Results Overview** tab, you can review the results per product type of the various sales authorization checks across all states and for all writing companies in all groups included in the sales authorization profile. In Figure 50, you can see that the selected producer is missing nearly all of the credentials in all states to represent the three products in the profile (Accident – Group, Life – Individual, and Variable Life). In order to become authorized in all of the sales states, he will need to obtain quite a number of regulatory credentials.

The **Results Overview** tab also displays the **Errors Report** section. The **Errors Report** section will list errors pertaining to specific product/state combinations. Such errors also are visually represented by state in the **Results Overview** section with an **Error** symbol (⚠). In many cases, these error types may be resolved through user configuration of or record-keeping updates in Producer Manager.

Other tabs on the **Authorization Status** page display the specific gaps in the producer's credentials that caused the sales authorization check to return a "Not Authorized" result.

For example, referring back to Figure 50, you can see that in Alabama the producer was "Authorized" to represent the Life – Individual product type but was "Not Authorized" to represent Variable Life.

Let's look at the **Licenses/LOAs** tab, shown in Figure 51. If you use the **Filter By** dropdown menu to filter the information to only that of Alabama, you can see that the producer seems to be missing the Variable Life & Annuity LOA. (Indeed, if you review the producer's record in Producer Manager, you will see that he holds the Producer license type in Alabama, as well as the Life qualification, but is missing the LOA needed to pass the Variable Life product type sales authorization check.)

© 2016, Vertafore, Inc.

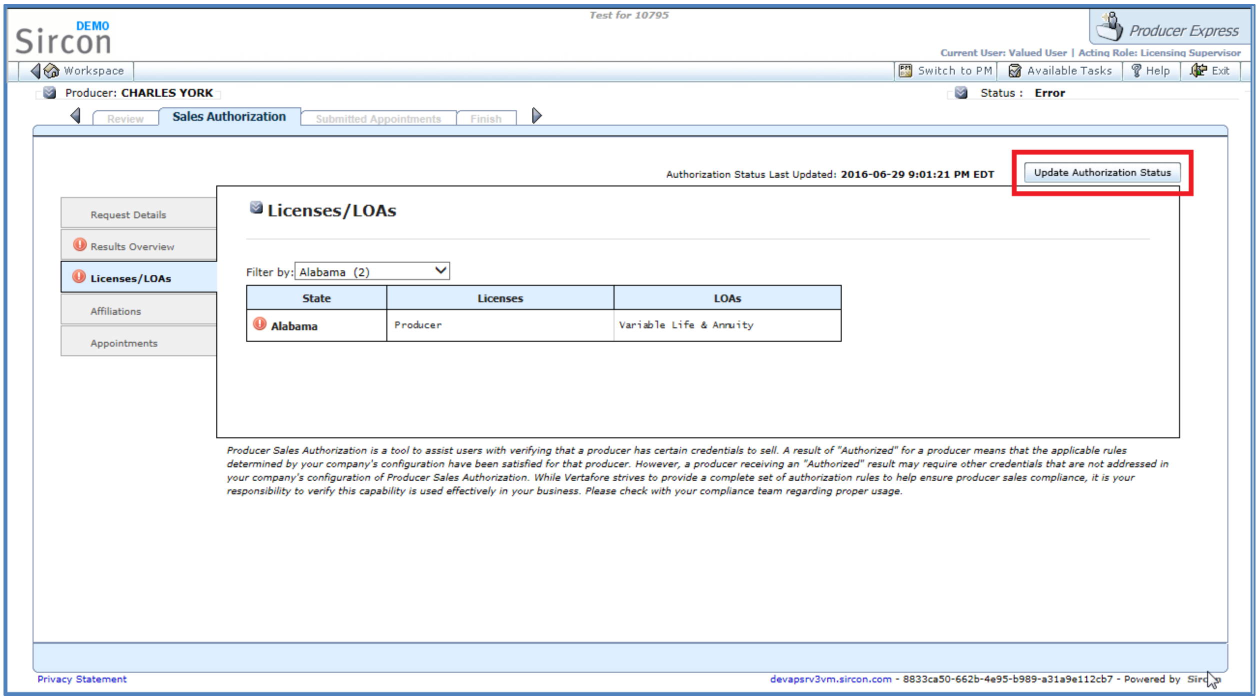


Figure 51 - The Licenses/LOAs tab shows licenses and/or lines of authority that the producer was missing that resulted in a "Not Authorized" result.

The other tabs – in our example, the **Affiliations** and the **Appointments** tabs – similarly may show that the producer either has or is missing required credentials in a profile state that are contributing to the producer's overall "Authorized" or "Not Authorized" status.

If a producer is lacking the **Licenses/LOAs** that would support a related appointment in a state, the **Appointments** tab will indicate a status of "Waiting." Once the producer has obtained the supporting license and LOA, then you may click the **Update Authorization Status** button. The system will re-check the producer's record and detect the newly acquired license/LOA.

© 2016, Vertafore, Inc.

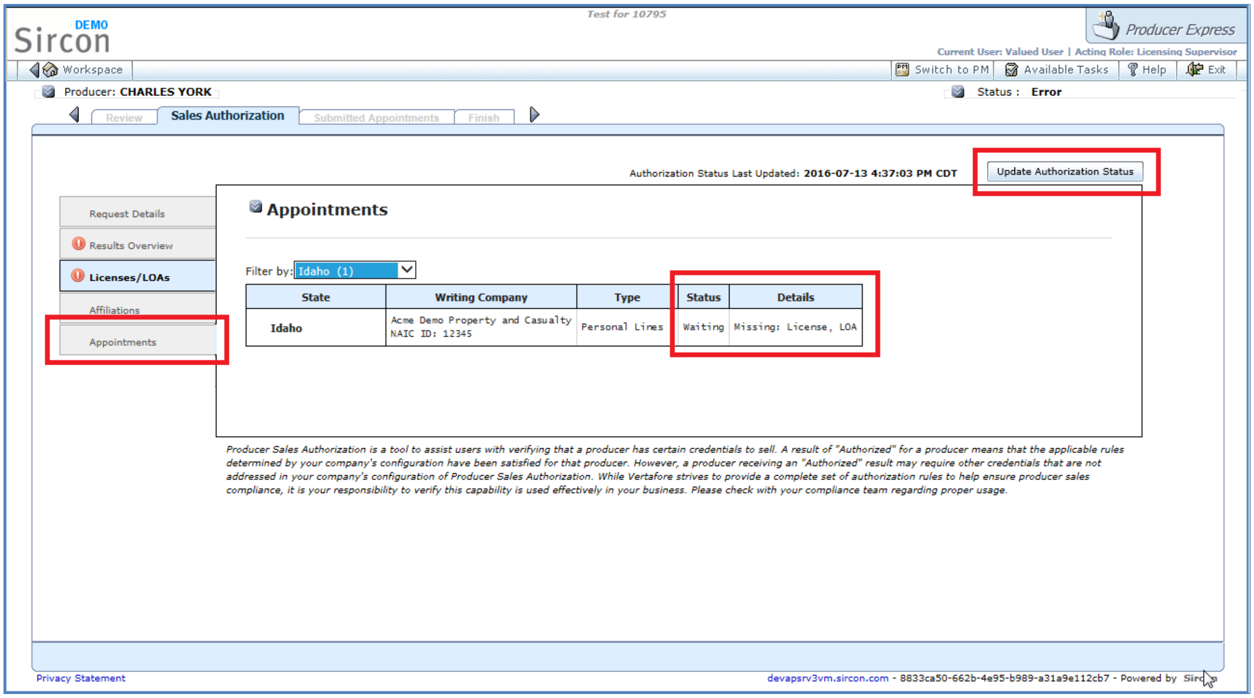


Figure 52 - The Appointments tab will show the system waiting for any missing, supporting licenses or lines of authority (LOA).

Note: The **Other Items** tab (not pictured) on the **Sales Authorization** page may include any education credentials or securities registrations that the system also may have factored into the sales authorization check result. Even though education credentials and securities registrations are not configurable as part of a sales authorization profile, the system still will check for a producer's compliance with them in a Producer Express onboarding workflow, as long as they are configured for use with Sales Authorization. For more information, see "Check for Education Credentials" on page 23 and "Check for Securities Registrations" on page 34.

Whenever new credentials are manually or automatically added to the producer's record, depending on your company's configuration, Producer Express may submit appointment requests automatically or give you the option to manually submit requests. Again, depending on your specific configuration, Producer Express may automatically resume the workflow, or you can do it manually, as shown in Figure 53.

© 2016, Vertafore, Inc.

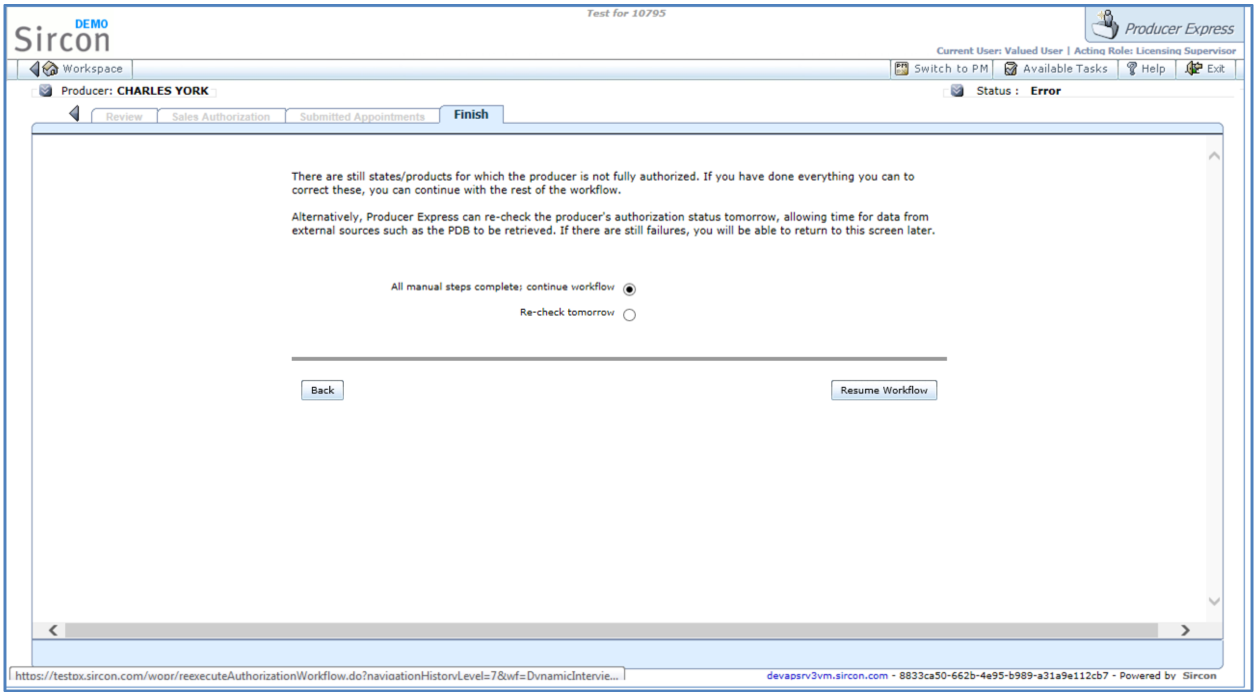


Figure 53 - You may keep re-checking a producer's sales authorization using the same sales authorization profile.

You do not have to submit a new sales authorization check request in Producer Express for the same producer using the same sales authorization profile and sales event. Eventually, the sales authorization check request may reflect that the producer is fully “Authorized” to represent a product type for all requested state/underwriting company combinations. When this occurs, the request will have a “Processed” status, the same as those shown in Figure 46.

Configure a Sales Authorization Profile

In the preceding chapter, we took a look at the power and efficiency of applying a sales authorization check to a producer onboarding workflow. We saw how we could easily check authorization for combinations of product types, states, and underwriting companies, all at once, by using a sales authorization profile. And we learned that it is possible, where a check result shows the producer to be “Not Authorized,” to either manually or automatically submit compliance transactions to reverse that initial result and make the producer “OK to sell.”

In this chapter, we’ll examine how to set up a sales authorization profile, that cookie-cutter of authorization check criteria, for use in Producer Express. Because until at least one profile is set up in Producer Manager, you cannot use sales authorization profiles in a Producer Express onboarding request.

But the good news is, like so much of the broader producer Sales Authorization capability, such as we discovered in the “Configuring Sales Authorization” section beginning on page 11, sales authorization profiles are completely user-configurable.

Tip: If your company is using Enhanced Appointment Profiles (EAP) to “templatize” automated appointment requests in Producer Express, replacing EAP with Sales Authorization Profiles can

© 2016, Vertafore, Inc.

offer significant advantages. For one, profiles can handle situations where a state appointment is based on a license type, not on LOA. EAP can't handle that. Another big plus is that you can configure Sales Authorization Profiles yourself, on demand – no Vertafore configuration is required. For more information, please consult your Vertafore representative.

Let's get started…

Even though they are applied in Producer Express, sales authorization profiles live in Producer Manager. So from the Producer Manager **Administration** menu, select **Sales Authorization**, and then select **Sales Authorization Profiles**. (Remember, you must have administrator security permissions to be able to configure sales authorizations. See "Enable Security Permissions" on page 4 for more information.)

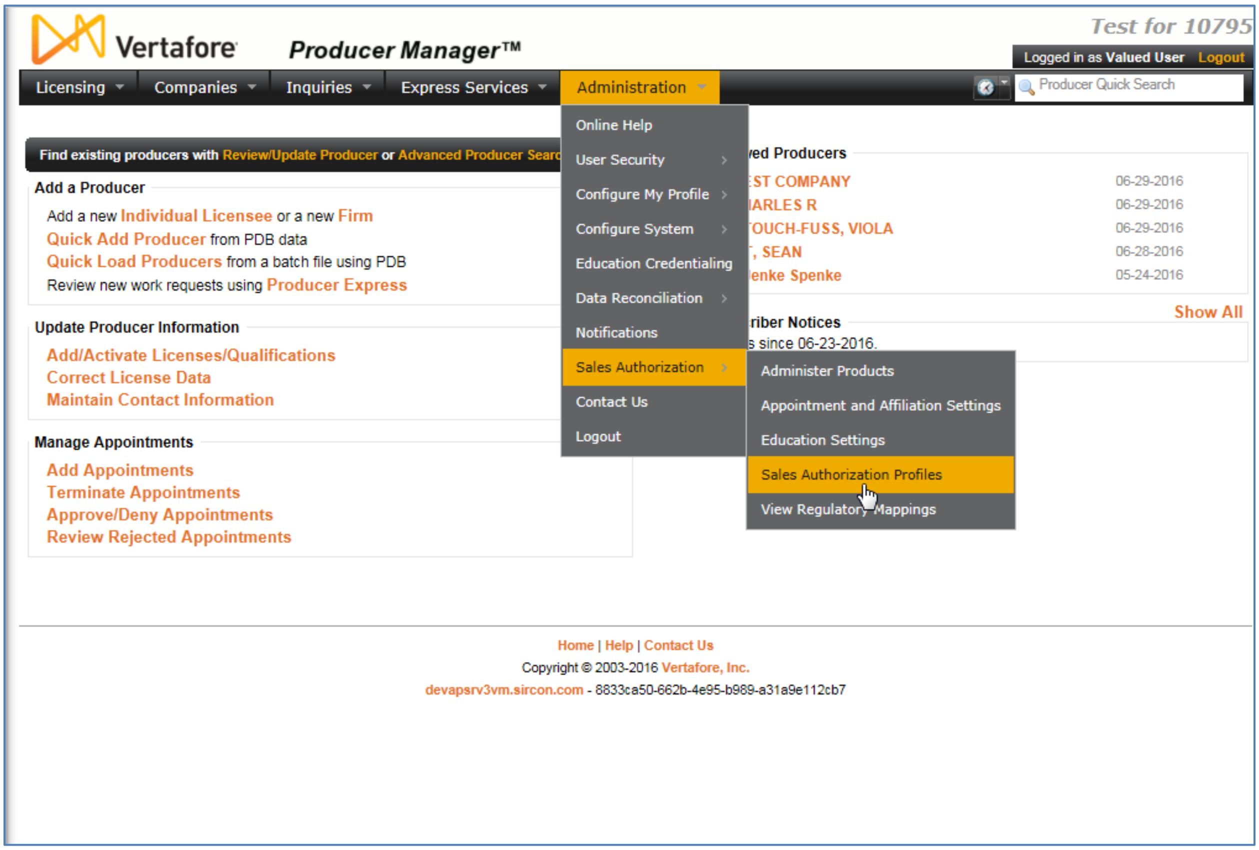


Figure 54 – Sales authorization profiles are in Producer Manager under the Administration menu.

The **Sales Authorization Profiles** page will open.

© 2016, Vertafore, Inc.

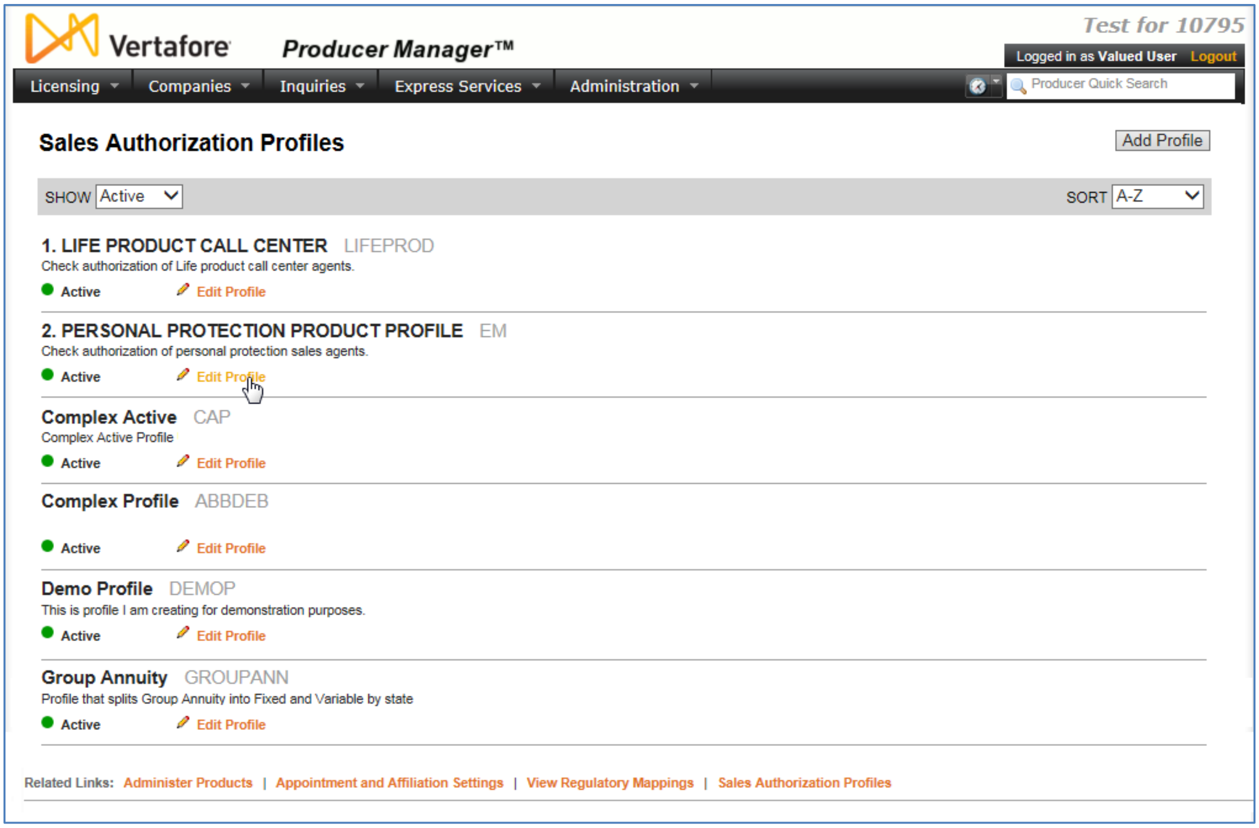


Figure 55 – The Sales Authorization Profiles page lists configured profiles.

On the **Sales Authorization Profiles** page, you can see listed all of the sales authorization profiles that have been configured for use.

Note that the default view includes only those profiles that are currently active and in use by Producer Express. You can change the view to include inactive profiles by making the selection from the **Show** dropdown menu at the top left of the page. An inactive profile might be one that a user has de-activated, or it could be one with which the system has found validation errors and therefore automatically prevented its use.

Each profile is identified by its name, but just as important to its identity is its code. That's because the system uses the code when it applies the profile in automated sales authorization checks. You can see the profile's code to the right of its name.

There is also a description of each profile, shown below its name. But the description is limited to only a high-level business summary of the profile's purpose – no details are included.

Review or Edit a Profile

To view the details, including the specific authorization check criteria that the profile uses, you must drill down. So click the **Edit Profile** button associated with a profile. The **Sales Authorization Profile** page will open in edit mode.

© 2016, Vertafore, Inc.

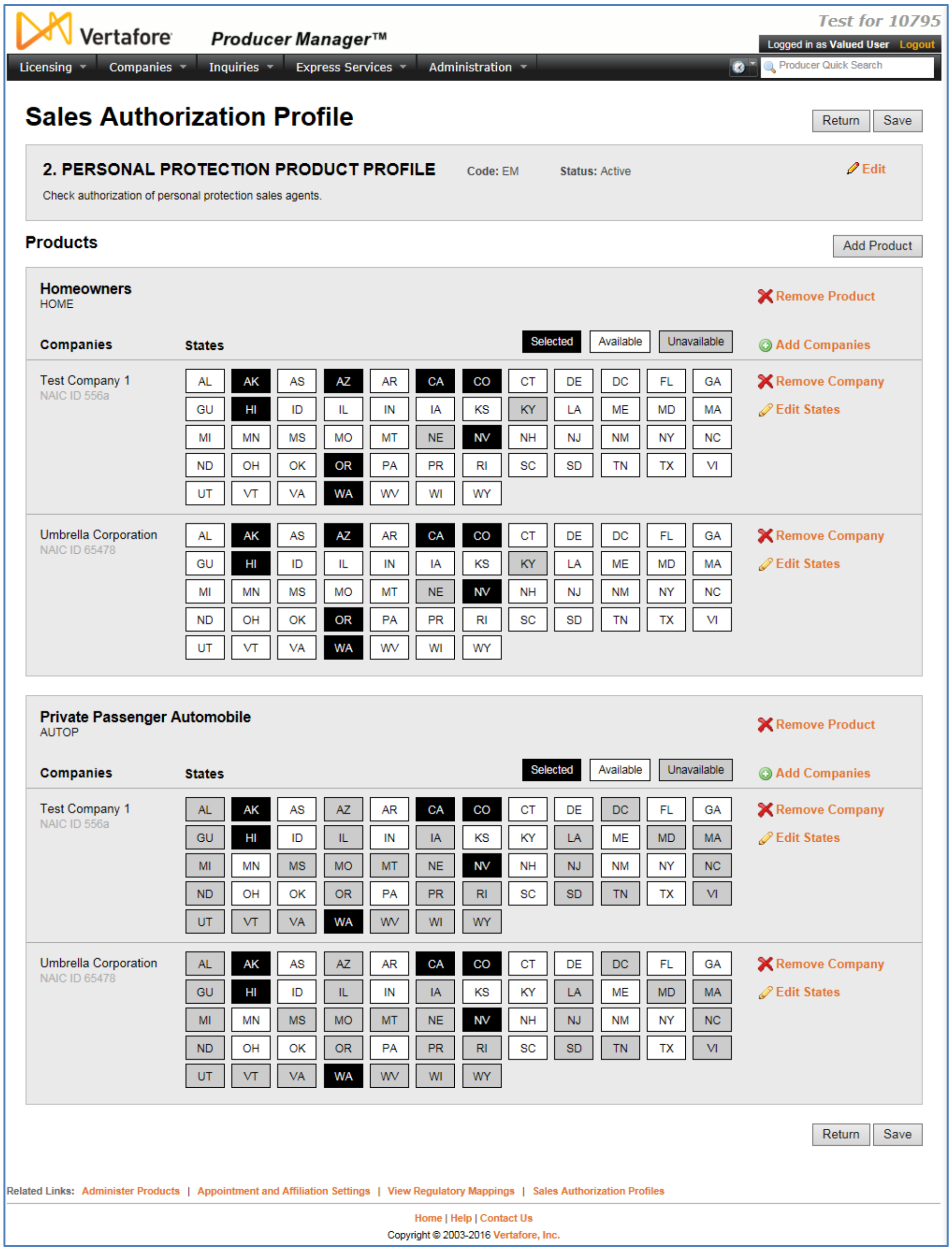


Figure 56 – The Sales Authorization Profile page in edit mode, showing authorization check criteria.

Don't let the kinetics of this page alarm you. Observed in chunks, it will make perfect sense.

At the top of the page, you can see a summary of the profile you are looking at or editing. It includes the profile name, code, and description, just as we saw on the main **Sales Authorization Profiles** page.

Then after that, it helps to understand what's going on by noticing that the information on the page is grouped by product types. Recall that we explored the concept of "groups" in "Request Producer Sales Authorization in Producer Express" on page 48. In our example in Figure 56, they are Homeowners and Private Passenger Automobile. The intention of the groupings on the **Sales Authorization Profile** page is to show per product type which state and underwriting

© 2016, Vertafore, Inc.

company combinations are to be checked for a producer's sales authorization whenever the profile is applied.

So, returning to our example in Figure 56, whenever the Personal Protection Product Profile is applied to a sales authorization check on a producer, it will look to see if the producer holds the license and LOA in each selected state to support the product types, Homeowners and Private Passenger Automobile. (Remember, all the mappings among regulatory credentials and product types are maintained for you by Vertafore. For more information, see "Review Product Type to LOA Mappings" on page 11.) For example, in Nevada for Private Passenger Automobile, an individual non-resident producer needs a Non-Resident Producer license and either Property and Casualty or Personal Lines LOA (Qualification).

If the producer holds the appropriate license and LOA, and depending on the **Sales Event** chosen in Producer Express at run time, the profile also can check if the producer holds an active appointment with the underwriting companies in the states included in the profile. If the producer lacks the related appointment, the authorization check can return a "Not Authorized" result, or Producer Express can be Vertafore-configured to automatically submit the appointment, "just in time," making it an "Authorized" result. So, again, looking at our Private Passenger Automobile product example in Figure 56, the producer eventually will need to be appointed for Property and Casualty or Personal Lines, but the system allows a lot of flexibility on when this must occur.

It is important to remember that if the sales authorization check at a certain sales event finds the producer to be lacking any regulatory credential included in the profile for a given product type, the system will return a "Not Authorized" result for that particular state. To review this concept, see "Request Producer Sales Authorization in Producer Express," beginning on page 48.

Notice the various controls on the page that allow you to edit state, writing company, or product type profile criteria. Be aware that any changes that you make to a profile will be effective from that moment on. Authorization checks that used the profile before the change still will reflect the pre-change profile criteria. Therefore, a producer who was authorized by the profile criteria before the change might not still be authorized after the change, and vice versa.

When you are finished reviewing or editing a profile, click the **Return** button to re-open the **Sales Authorization Profiles** page.

Let's take a look at how to add a sales authorization profile…

Add a New Profile

To add a new profile, click the **Add Profile** button at the top right of the page.

© 2016, Vertafore, Inc.

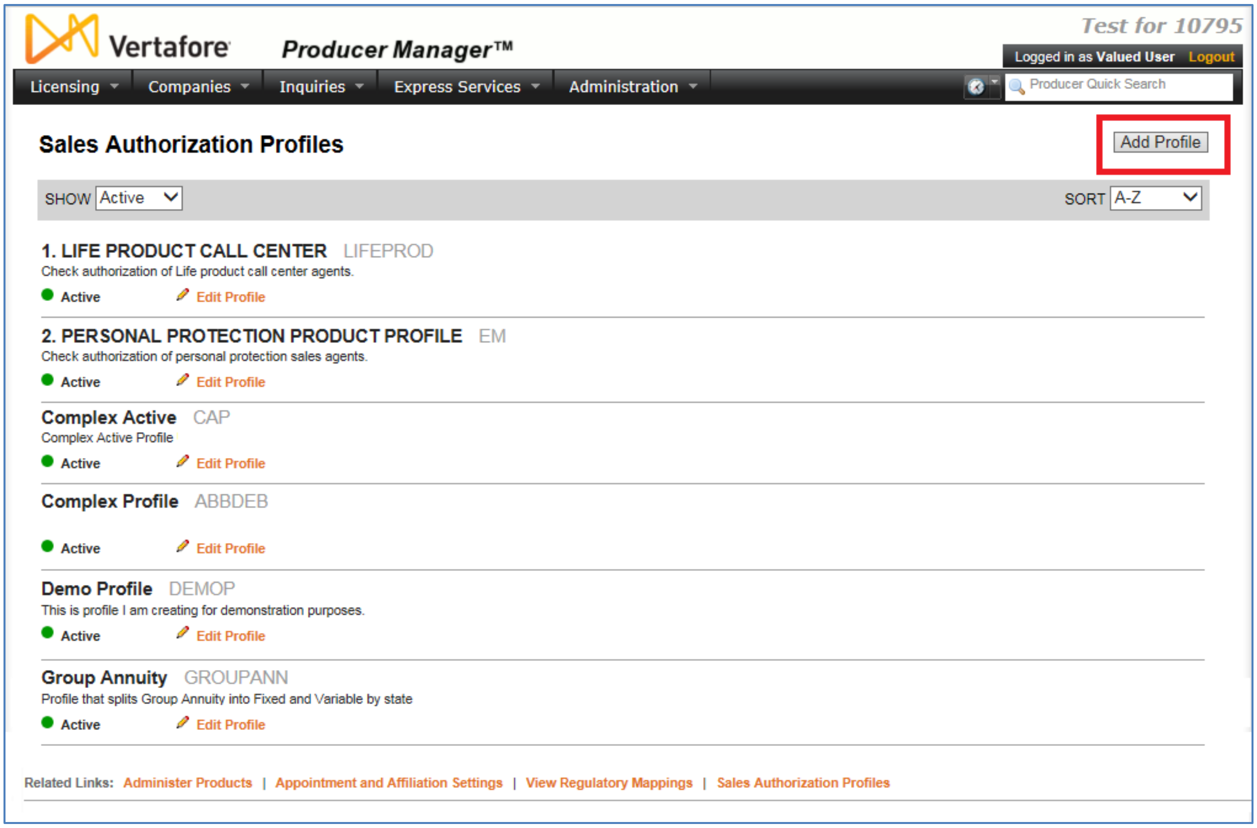


Figure 57 – Click the Add Profile button to add a new sales authorization profile.

The **Create Sales Authorization Profile** page will open.

In the **Profile Name** field, enter a concise but meaningful title for the new profile. It could be the name of a particular product, a distribution channel, a marketing campaign, etc.

In the **Profile Code** field, enter a code for the new profile, up to 10 alphanumeric characters. A good tip is to make the code easy for a human to recognize and not too geeky. There might be times when you are working with the profile when it is identified only by its code.

Finally, in the **Profile Description** field, enter a business description of the profile, such as a summary of its purpose.

When you are finished, click the **Create Profile** button. This will save a “shell” profile, with an Inactive status, to the system.

© 2016, Vertafore, Inc.

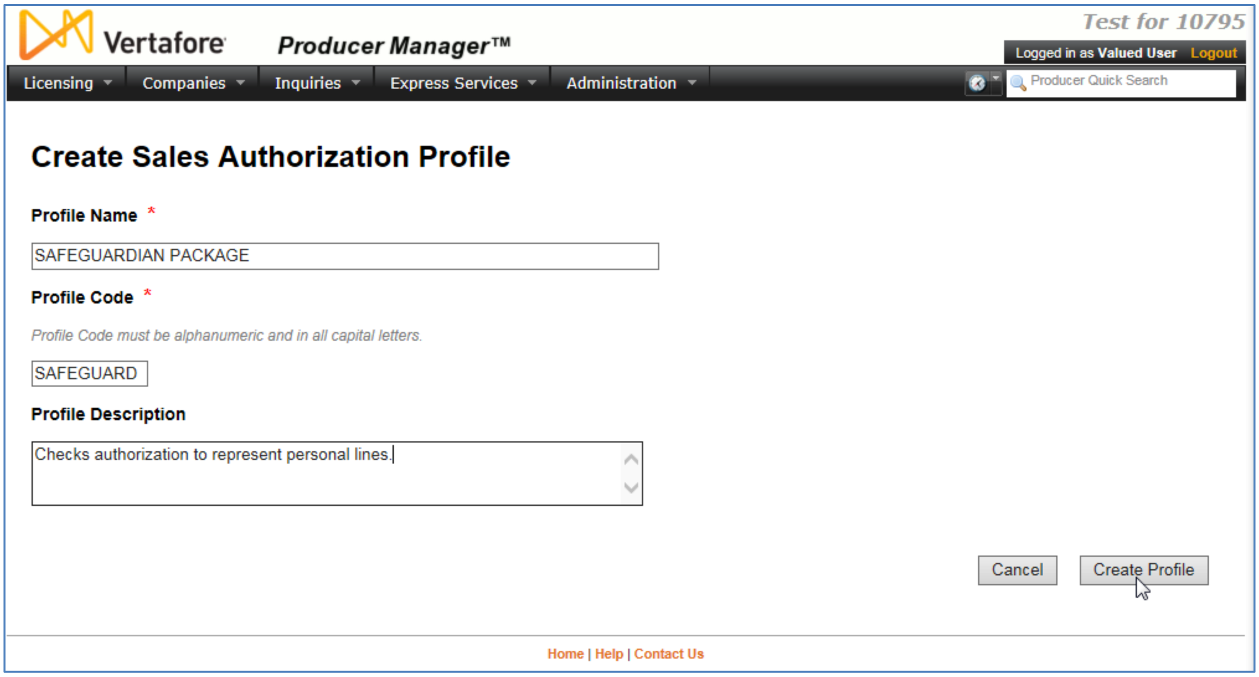


Figure 58 – Enter basic information about the new profile on the Create Sales Authorization Profile page.

Next, you can begin to add criteria to the profile. First, select a product type from the **Product Name** dropdown menu. Click the **Next: Select Writing Companies** button.

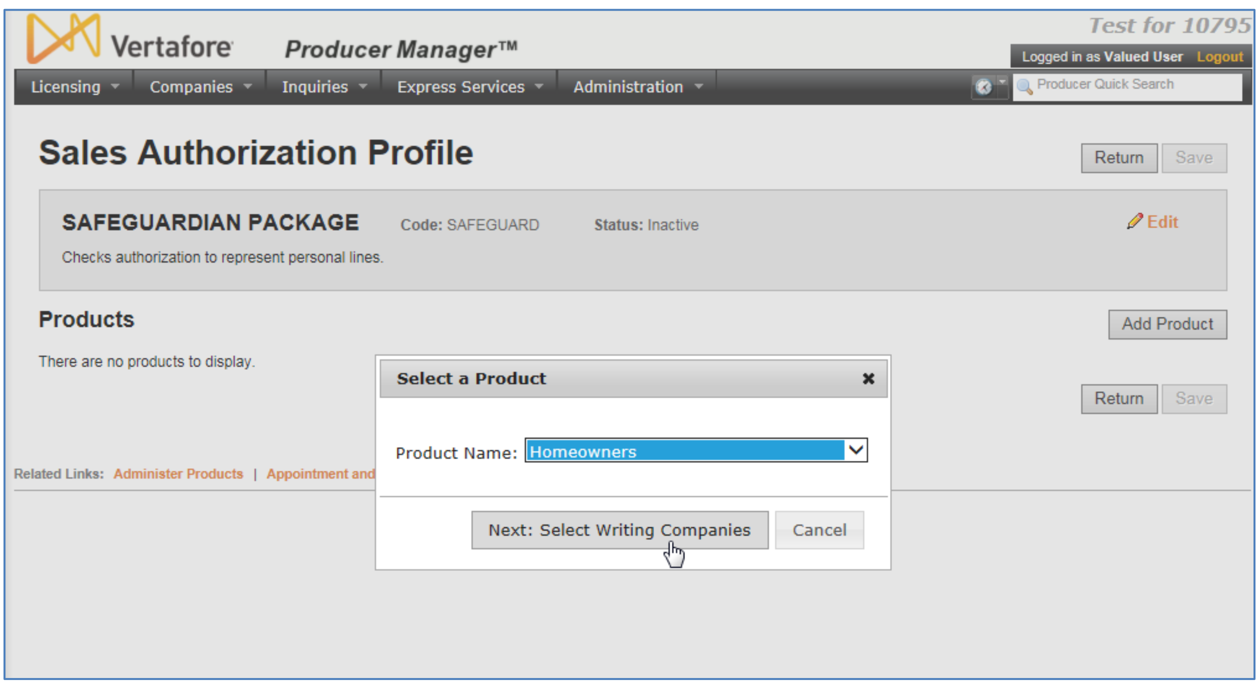


Figure 59 – Add product type criteria on the Select a Product dialog box.

Next, click to checkmark the checkbox of at least one company that underwrites the selected product type to add it as profile criteria. Remember, these will be the companies that are configured as part of your carrier group.

© 2016, Vertafore, Inc.

When you are finished, click the **Next: Select States** button.

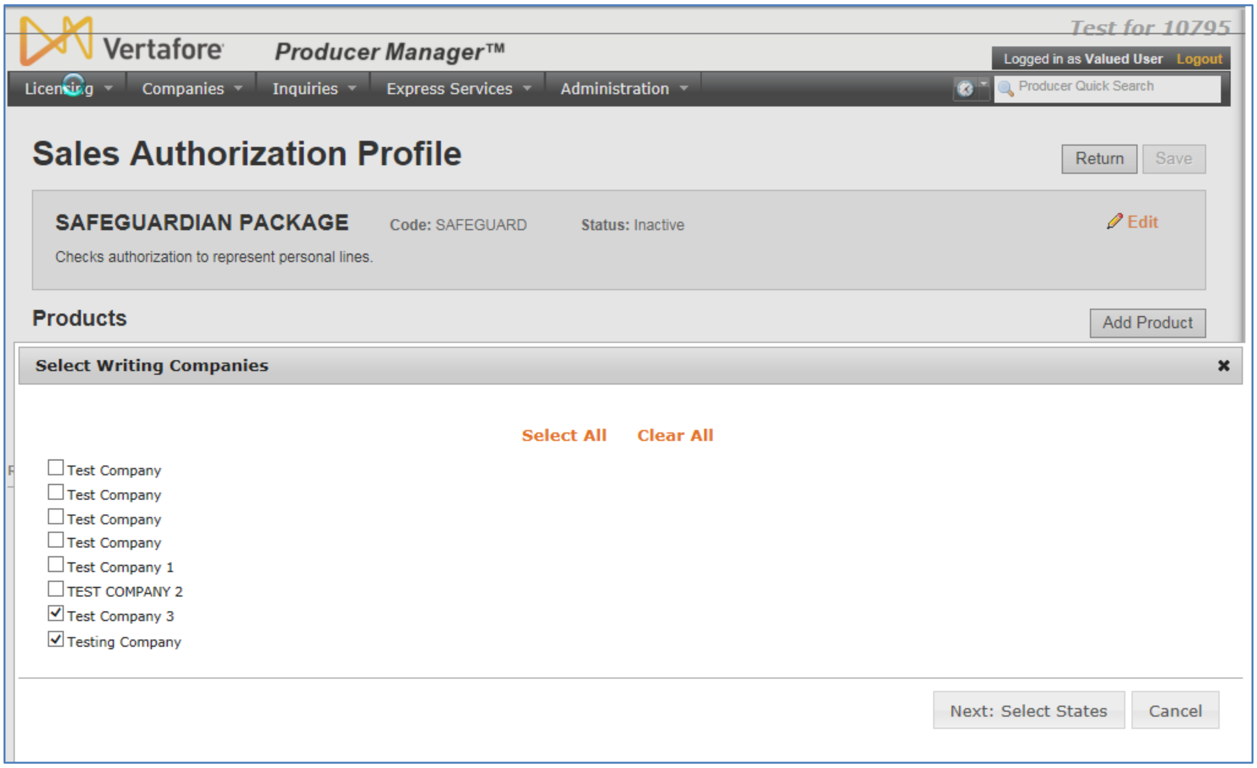


Figure 60 – Add company criteria to the profile on the Select Writing Companies dialog box.

You can add states as criteria directly on the **Sales Authorization Profile** page. This is the same page we looked at when we reviewed an existing sales authorization profile earlier.

Simply click each state abbreviation to select it. It will turn from white-shaded to black-shaded when selected. If the product is offered nationally or in most states, you might find it easier to click the **Select All** widget to select all available states, and then de-select any that are not applicable.

The selected product type is not available for configuration in any state that is gray-shaded. Usually this means that the selected underwriting company is not configured in Producer Manager for an appointment type that supports the product in such a state.

When you are finished selecting state criteria for a company, click the **Finish Editing States** button. Repeat the state selection steps for each company.

© 2016, Vertafore, Inc.

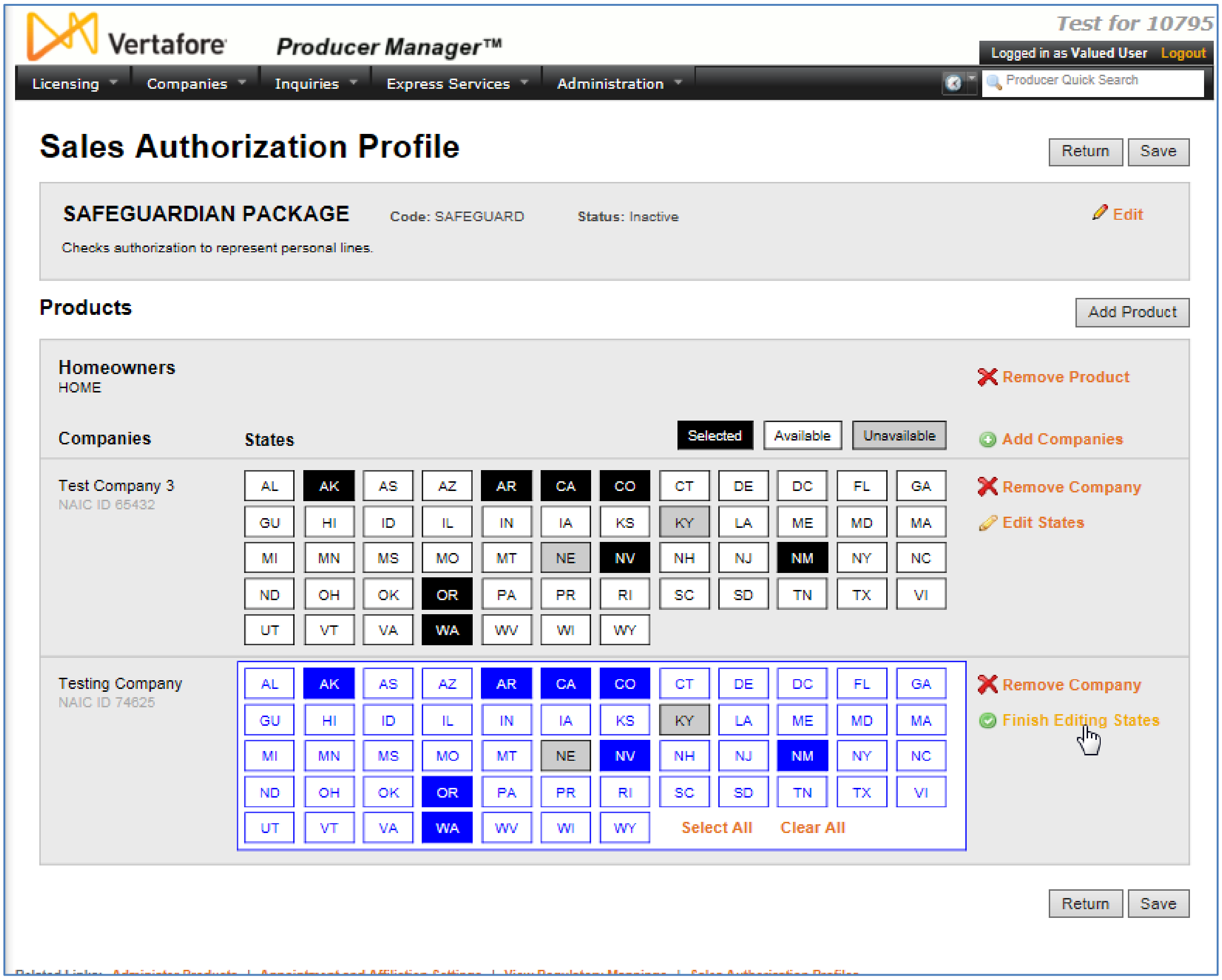


Figure 61 – Select state criteria for each company.

To add another product group to the new profile, click the **Add Product** button.

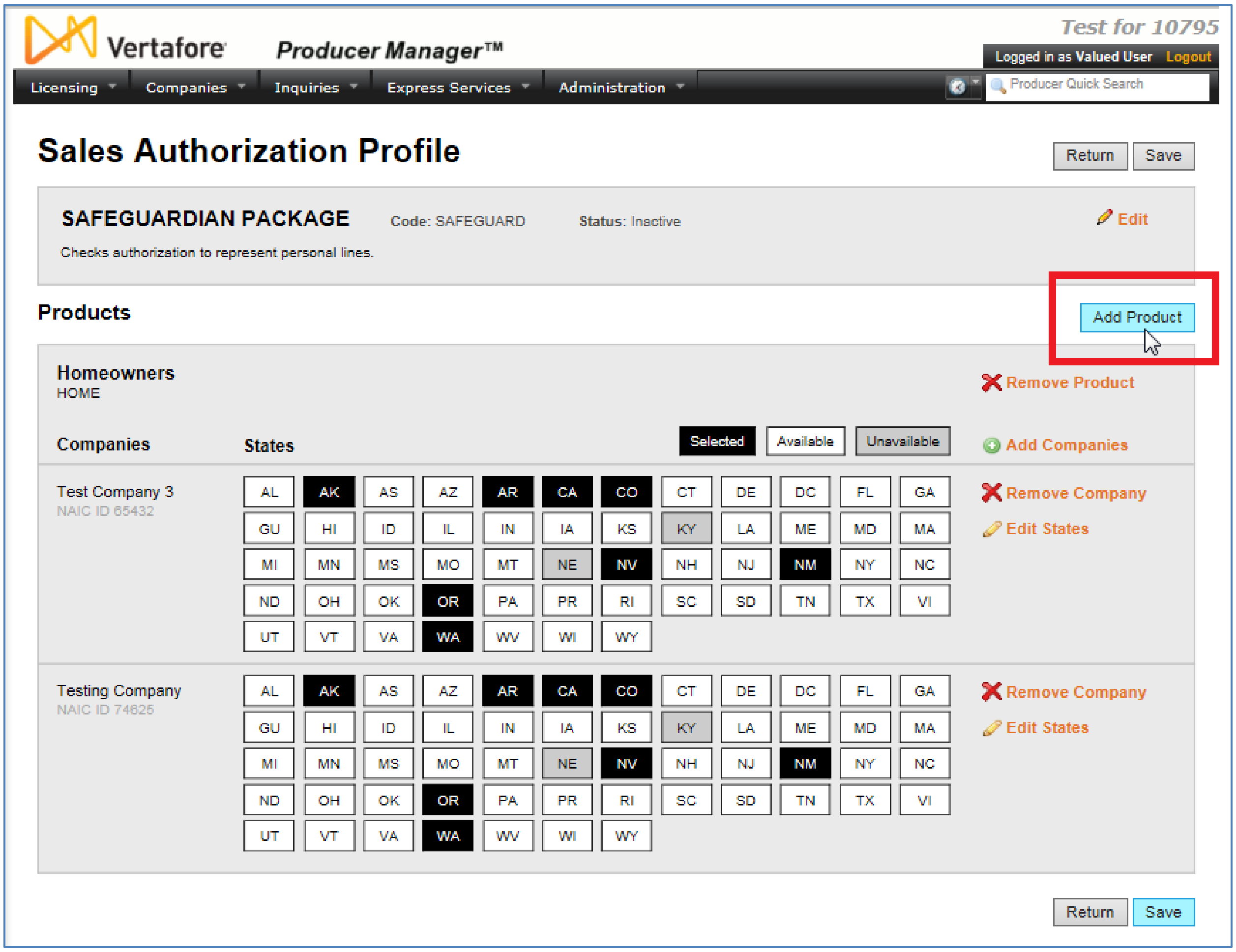


Figure 62 – To add another product type to the profile, click the Add Product button.

The system will step you once again through the same process of selecting a product type, one or multiple companies, and one or multiple states.

© 2016, Vertafore, Inc.

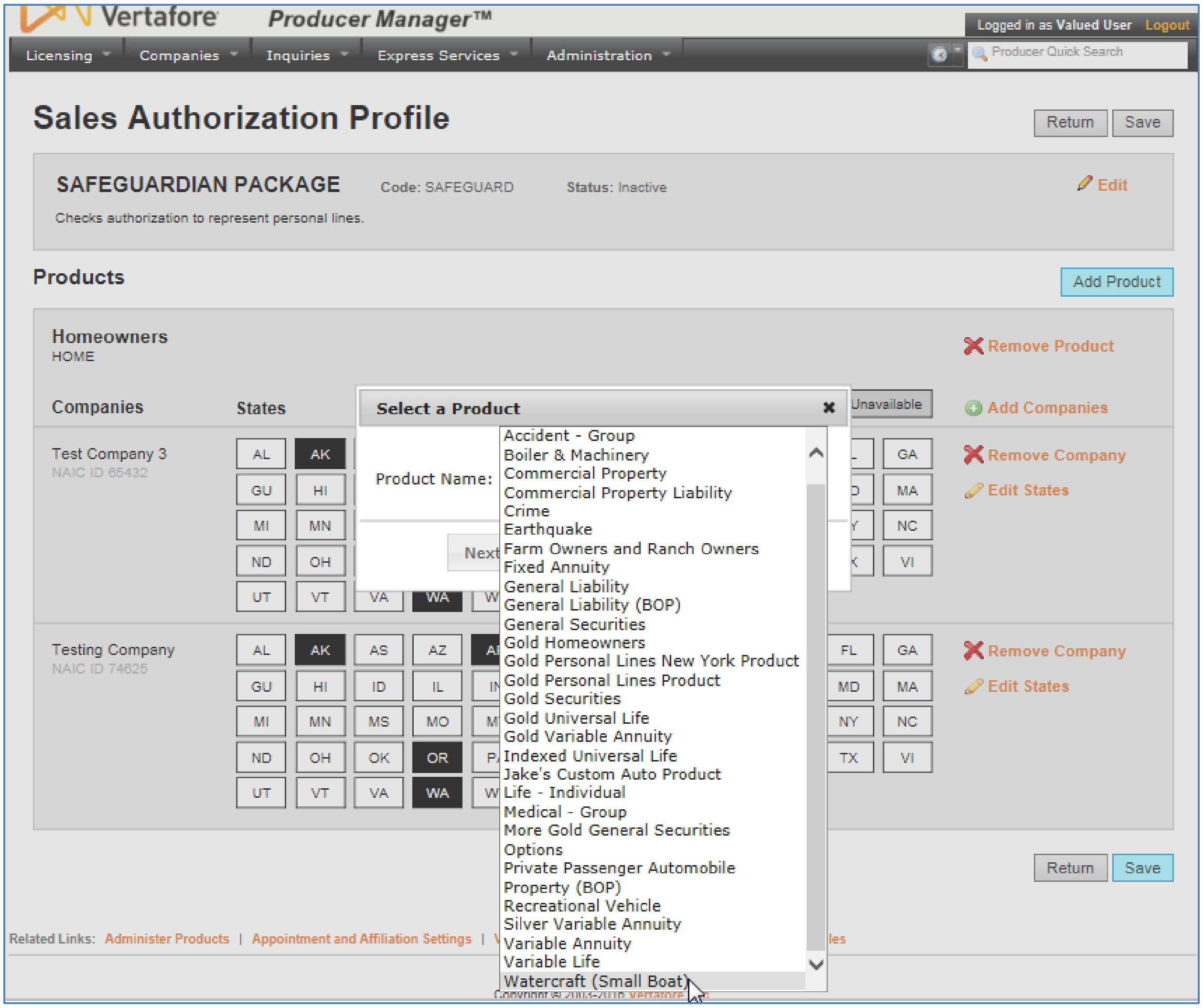


Figure 63 – Repeat the criteria selection process for each product you want to add to the sales authorization profile.

When you are finished selecting all criteria for the profile, click the **Save** button. The system will validate your selections.

If the profile passes validation, a dialog box will open asking if you want to activate the profile right away.

© 2016, Vertafore, Inc.

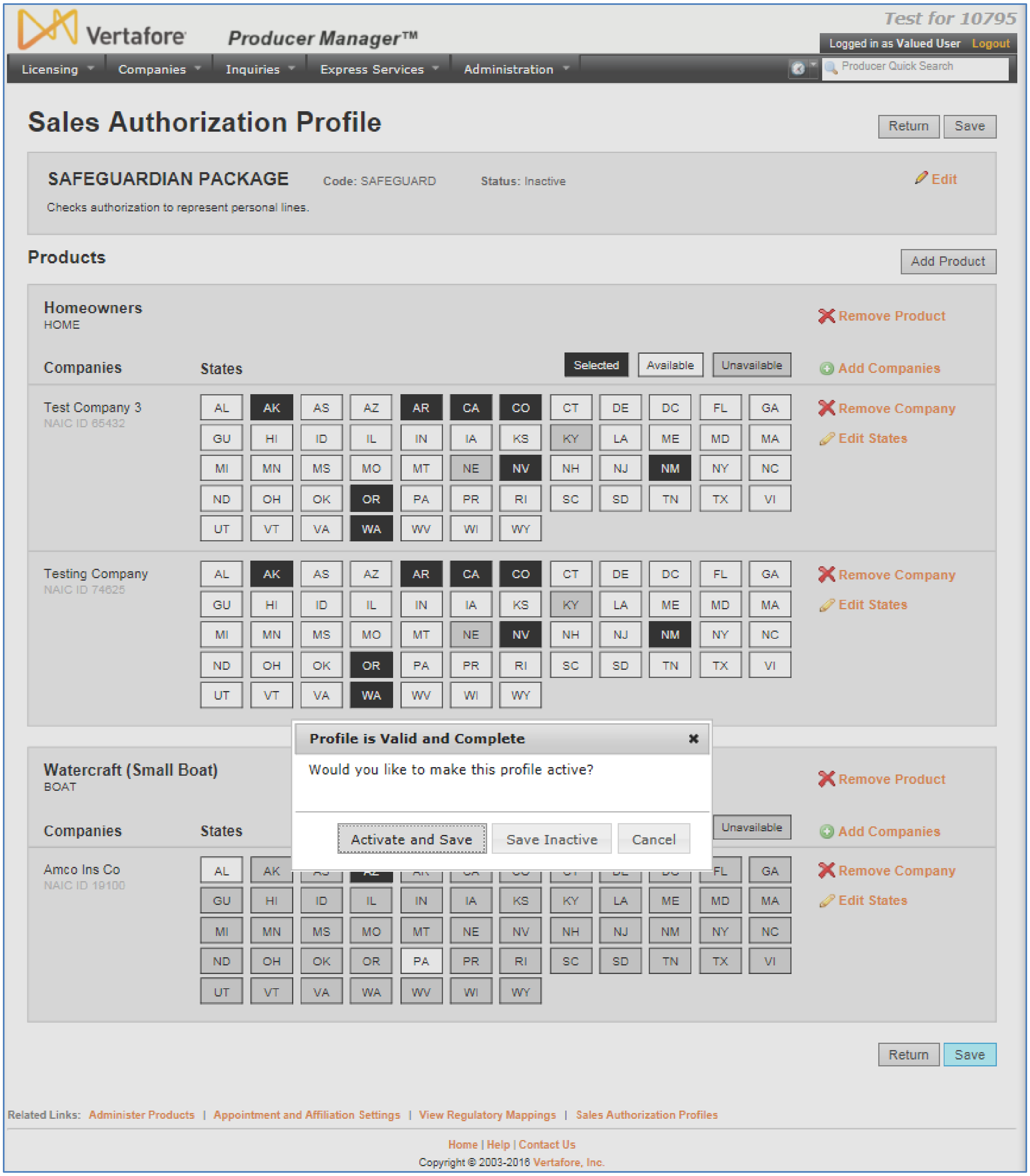


Figure 64 – The system will validate the profile when you are finished with setup, and ask you if you want to activate it

Click the **Activate and Save** button to make the profile immediately available for use in Producer Express workflows.

Producer Manager will confirm the successful save and activation of the new profile.

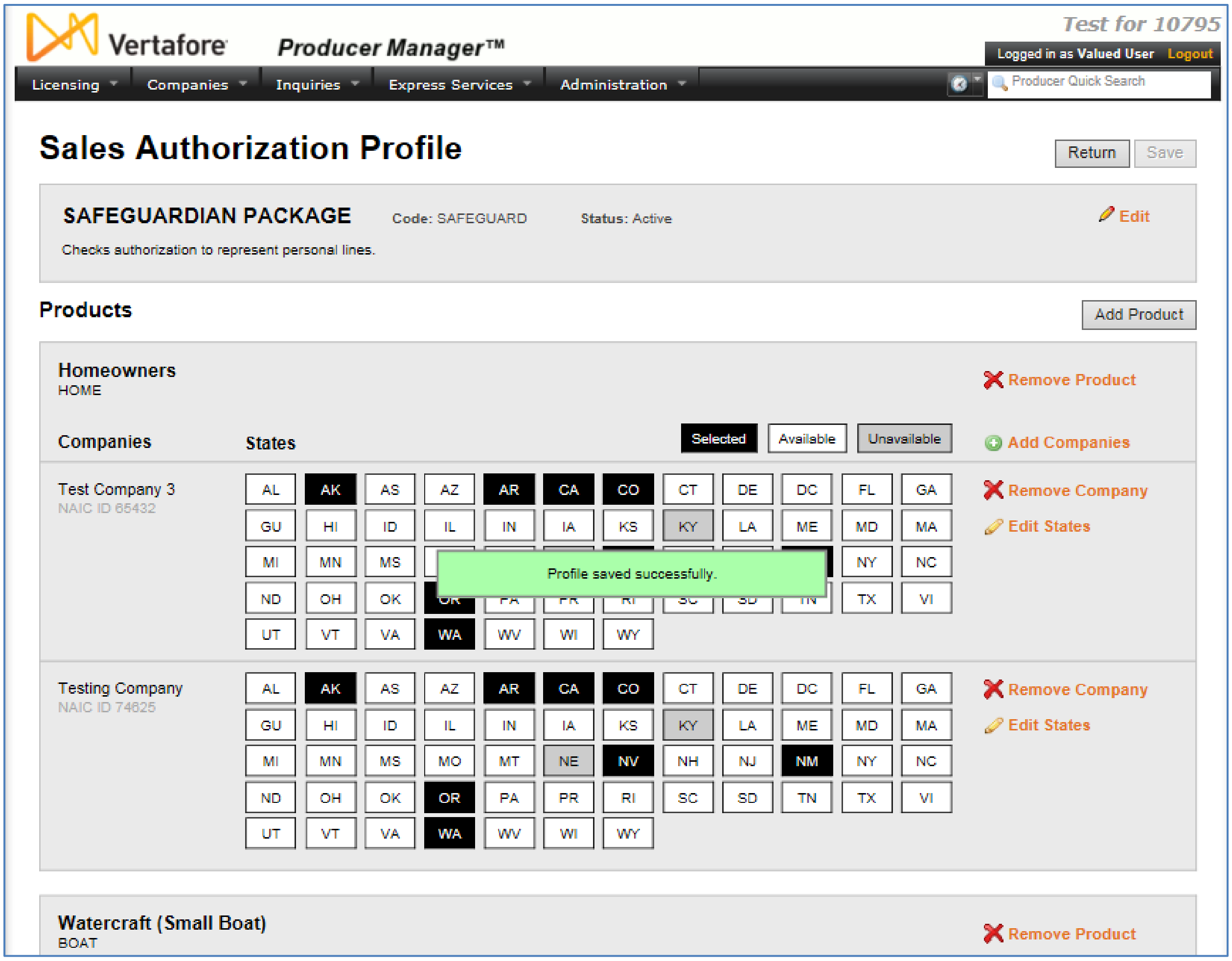


Figure 65 – The new profile is saved and ready for use in Producer Express.

Now your new profile is listed with the others on the **Sales Authorization Profiles** page…

© 2016, Vertafore, Inc.

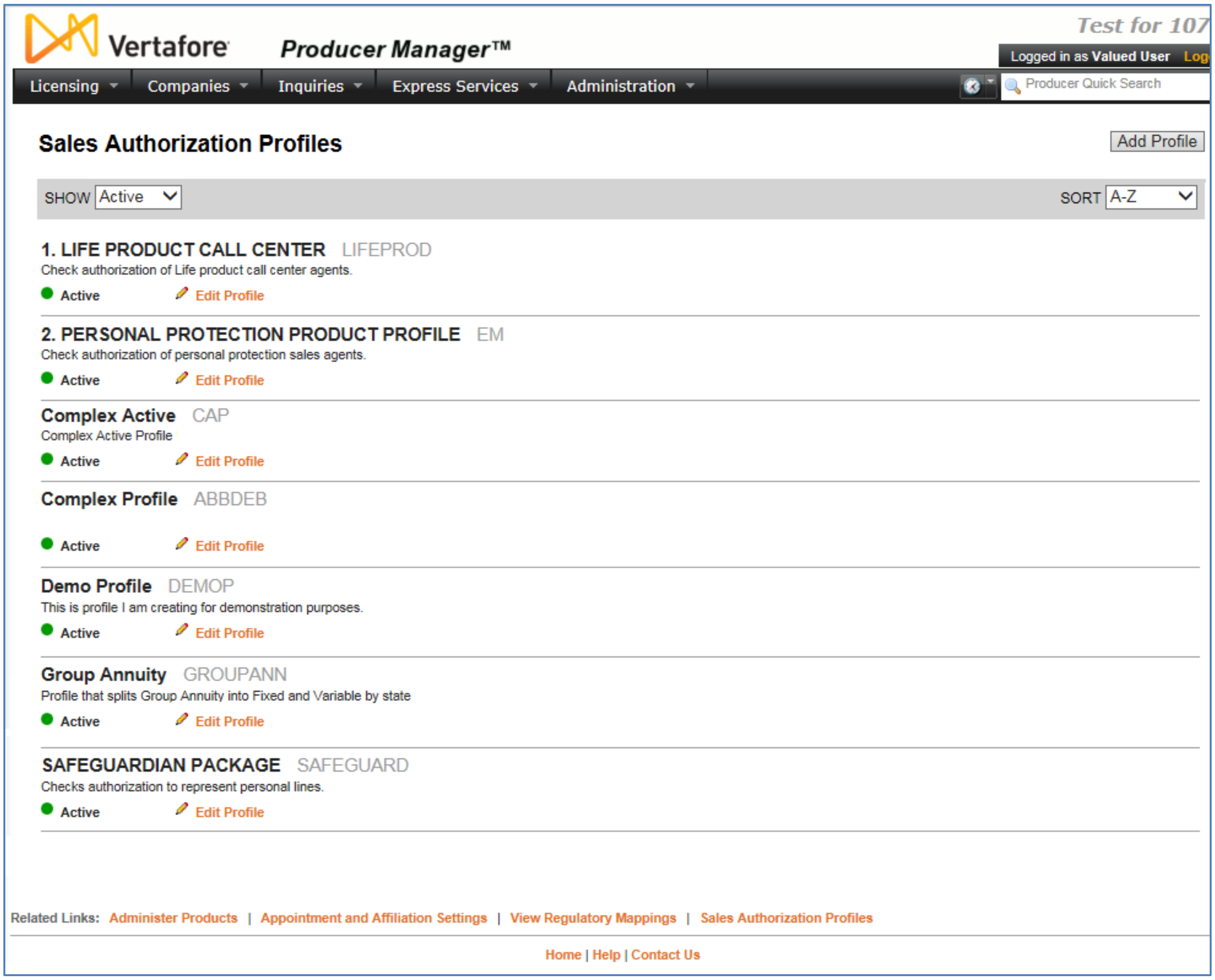


Figure 66 – The new profile is visible on the Sales Authorization Profiles page.

… and can be selected as part of an onboarding request in Producer Express. No need for Vertafore configuration.

© 2016, Vertafore, Inc.

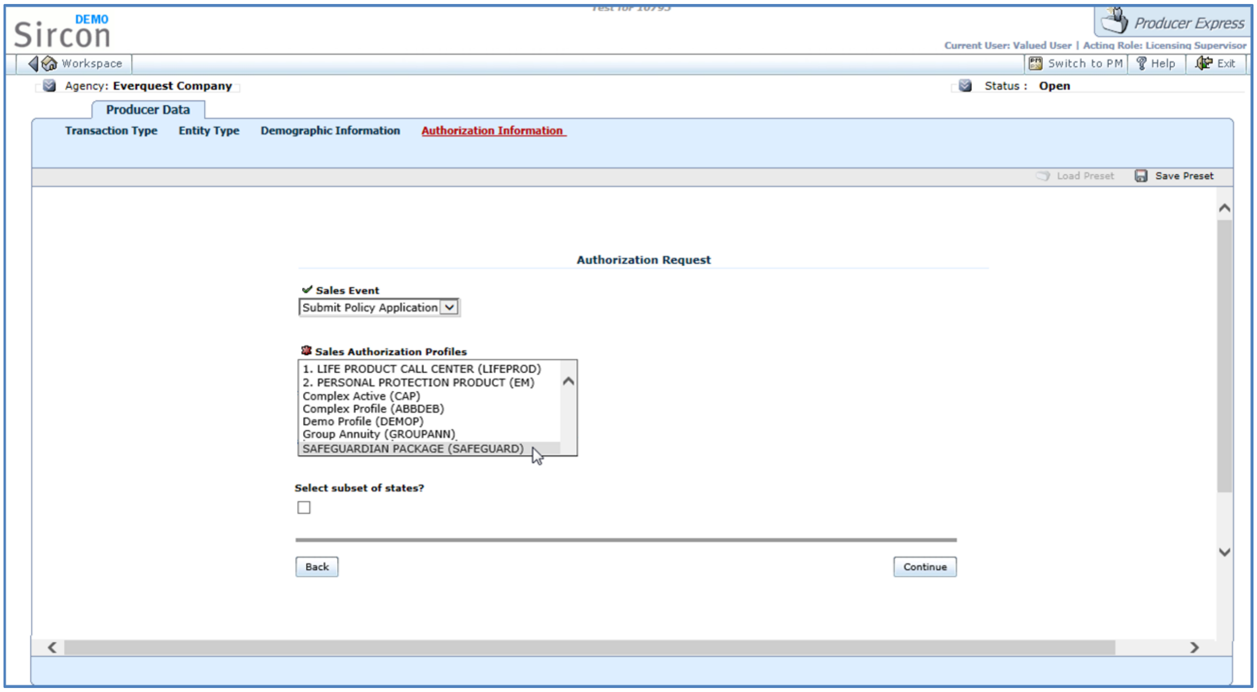


Figure 67 – The newly activated profile is available right away for selection in Producer Express.

© 2016, Vertafore, Inc.

More Sales Authorization Information

The producer Sales Authorization capability comes with a number of "asynchronous" features – features you might not use as a part of a regular producer onboarding or compliance-checking workflow. These supporting capabilities include reviewing an historical log of sales authorization check results and setting a sales authorization check result to always come back as "not authorized."

Also, you can retrieve producers' sales authorization check results through machine-to-machine integration with the Producer Authorization Web Service.

Into this section we've tucked chapters dealing with these miscellaneous, related topics.

Review Past Authorization Checks

During a market conduct exam, state examiners may request that you prove that your company verified a producer's authorization to represent a particular product. Producer Manager stores every producer sales authorization check that you perform for easy retrieval at this or any other time.

Note: Producer Manager stores sales authorization check history for requests that originated in Producer Manager only. It does not store history for sales authorization checks that originated in Producer Express.

The following explains what to do:

From the **Licensing** menu, select **Sales Authorization**, and then select **Sales Authorization History**.

© 2016, Vertafore, Inc.

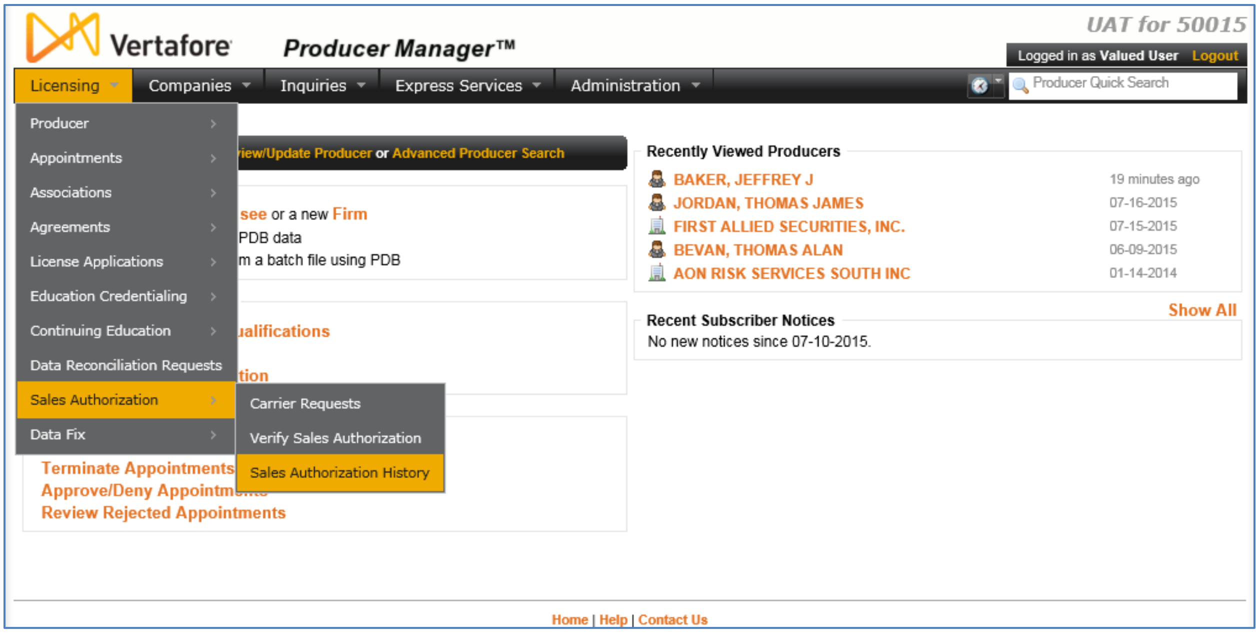


Figure 68 - Open the Sales Authorization History page to review past sales authorization checks.

The **Sales Authorization History** page will open, displaying a list of all of the authorization checks your company has run, sorted newest to oldest.

Producer	Context	State	Product	Writing Company	Sales Event	Date	Result
Smith, Jack (VA) SSN: ***-**-9876 | BU: Life	**Auth ID:** 212001 **Source:** Verify Auth **User:** Patrick Masi	Virginia	Variable Annuity	Acme Demo Life	Submit Policy Application	05-07-2014 3:56 PM	Authorized
Smith, Jack (VA) SSN: ***-**-9876 | BU: Life	**Auth ID:** 211001 **Source:** Verify Auth **User:** Patrick Masi	Virginia	Variable Annuity	Acme Demo Life	Submit Policy Application	05-07-2014 2:29 PM	Authorized
Smith, Jack (VA) SSN: ***-**-9876 | BU: Life	**Auth ID:** 210002 **Source:** Verify Auth **User:** Patrick Masi	Virginia	Variable Annuity	Acme Demo Life	Request Quote	05-07-2014 12:14 PM	Authorized

Figure 69 - Sales Authorization History.

Use the filter criteria in the search fields to narrow the list, if desired. For example, you can filter for only checks that returned “Not Authorized” or “Override” results, so that you can follow up on them. Other useful filters include the source and date range of sales authorization checks. If the authorization check was performed using the Producer Authorization Web Service, then you can use the **Ref ID** field to refer to a specific policy number, making it even easier to respond to market conduct examiners.

In the **Result** column, click the result to open a popup box with details about the selected sales authorization check. The popup box also offers a link allowing you to re-run a check using the same criteria as the original check.

© 2016, Vertafore, Inc.

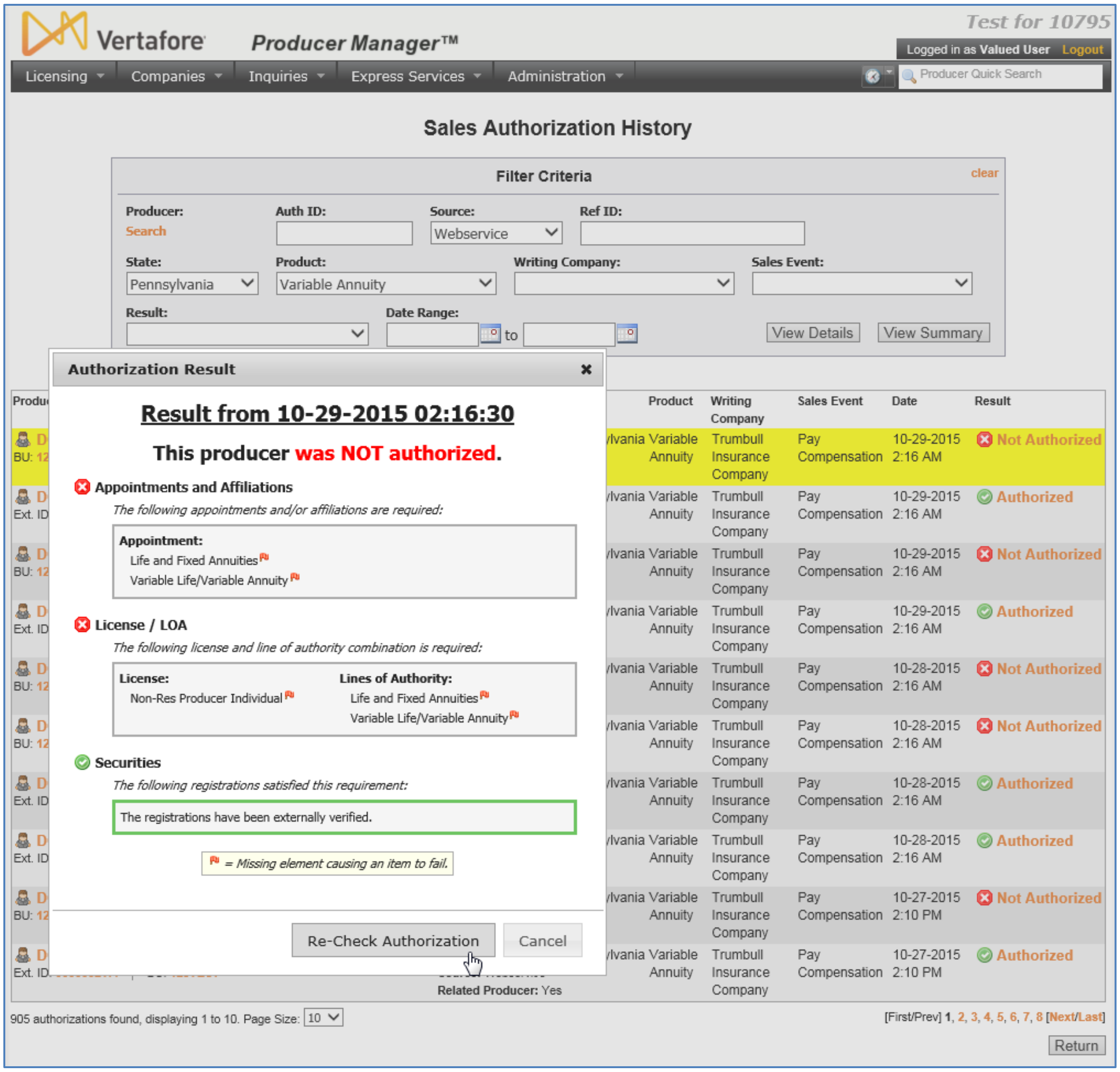


Figure 70 – Filter and follow up on authorization checks that display on the Sales Authorization History page.

Set an Authorization Check Result to Be Overriden

Sometimes you might run a sales authorization check on a producer, and the result may look like something as illustrated below.

© 2016, Vertafore, Inc.

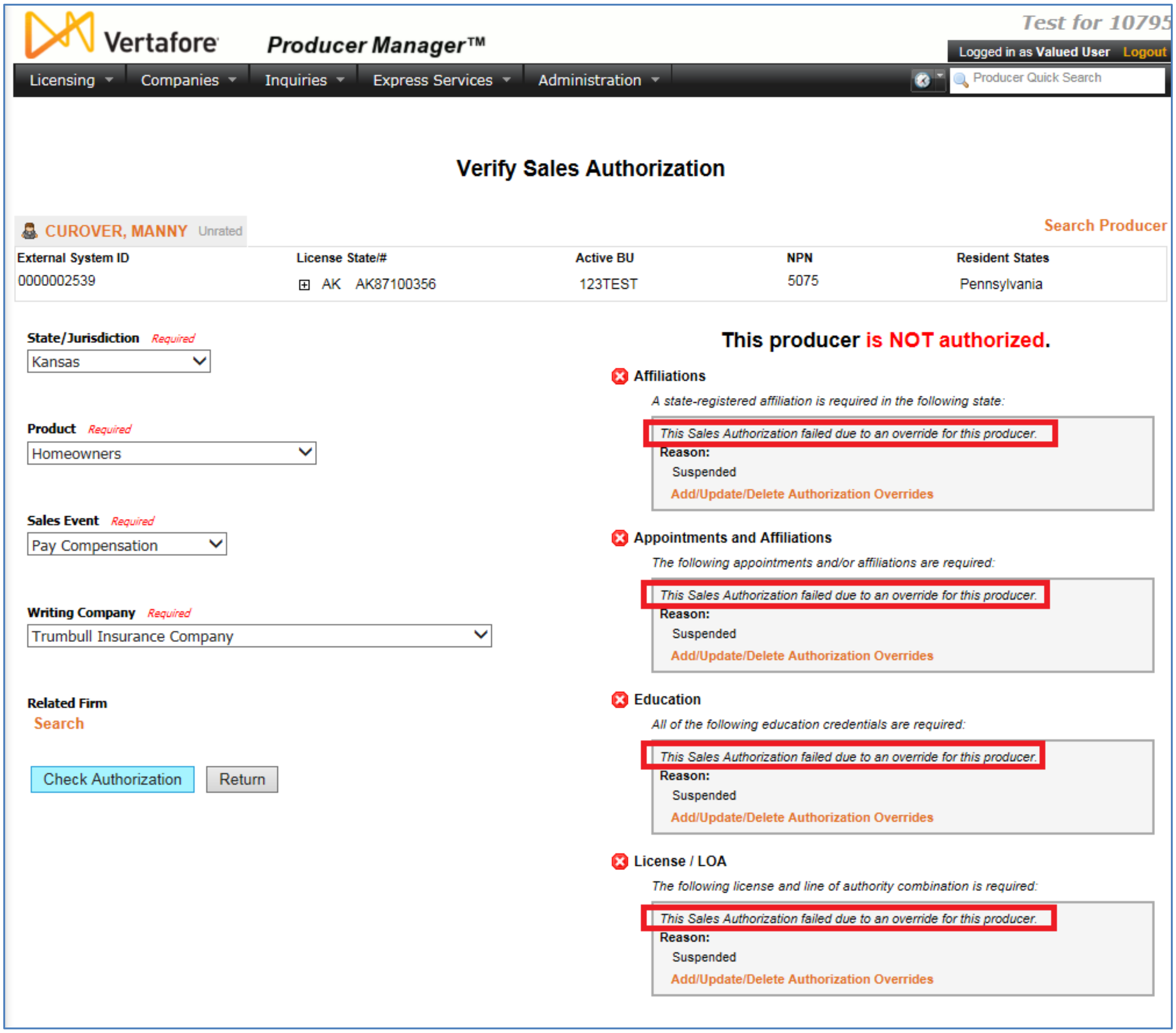


Figure 71 – A sales authorization check that encountered an Authorization Override.

In the illustration, you can see that the overall result of the check is "Not Authorized," such as you would see if the producer lacked one or more compliance credentials necessary to represent the product type in the selected state.

But if you examine the result more closely, you can see that the system is indicating that the sales authorization result occurred "due to an override for this producer."

What exactly has happened? Another user or a licensing supervisor has configured the producer's record to fail a sales authorization check for the specific search criteria (state, product, sales event, and appointing company), regardless of any other factors. The producer is subject to an "**authorization override**."

Probing deeper into the result, you can see that the producer currently is suspended from sales activities. He may be suspended in just Kansas or maybe in all states, for one product or all products, one type of sales event or any, etc. An override may be set up to stop a producer entirely, in a blanket fashion, or it can apply in more select or granular ways

Let's have a look at how to set up an authorization override…

© 2016, Vertafore, Inc.

With the record open of a producer for whom you want to override authorization results, click the **Authorization Overrides** link in the **Quick Links** box.

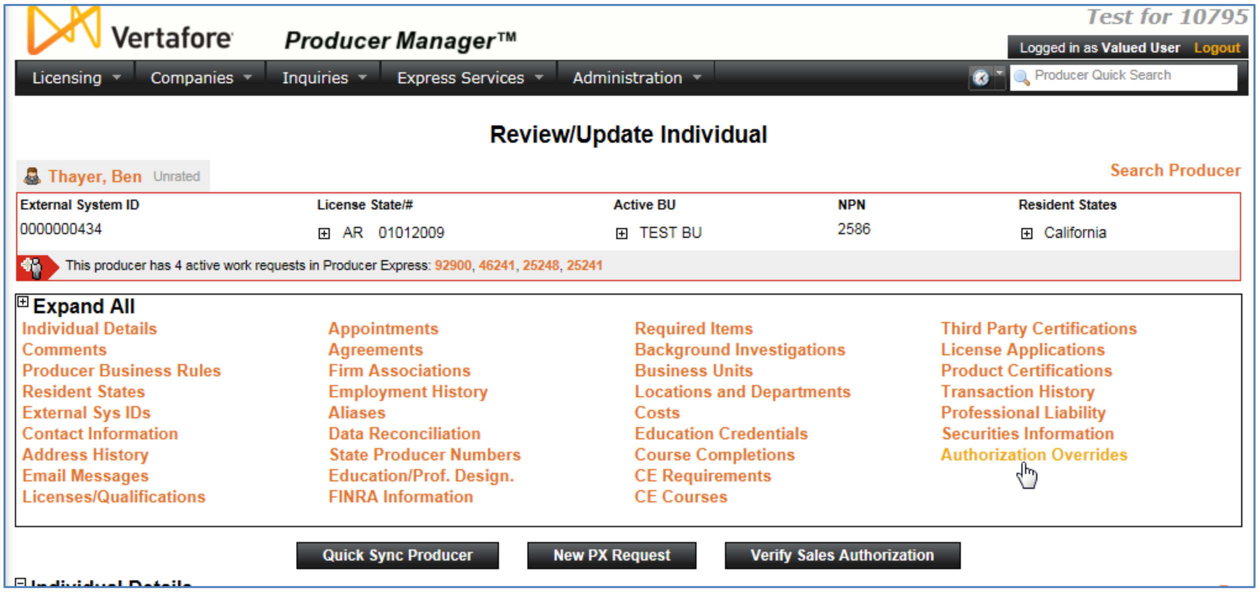


Figure 72 – Click the Authorization Overrides link in the Quick Links box to view a producer's authorization override settings.

This will navigate to the **Authorization Overrides** data section of the record. The **Authorization Overrides** data section shows what, if any, overrides the producer currently is or formerly has been subject to.

Figure 73 – Click the Add/Update/Delete Authorization Overrides link to add or update a producer's authorization override settings..

To set up a new override, click the **Add/Update/Delete Authorization Overrides** link. The **Maintain Authorization Overrides** page will open.

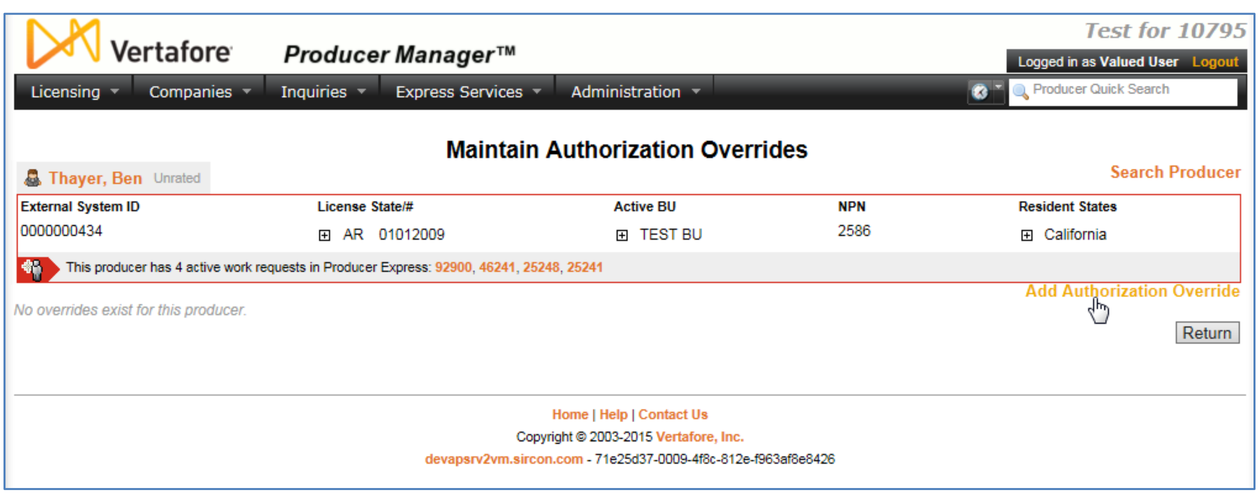


Figure 74 – On the Maintain Authorization Overrides page, click the Add Authorization Override link to add an override.

 © 2016, Vertafore, Inc.

The top of the page will list overrides that already have been configured. (The producer in the illustration has none.) To add a new one, click the **Add Authorization Override** link. This will open the **Add Authorization Override** popup box.

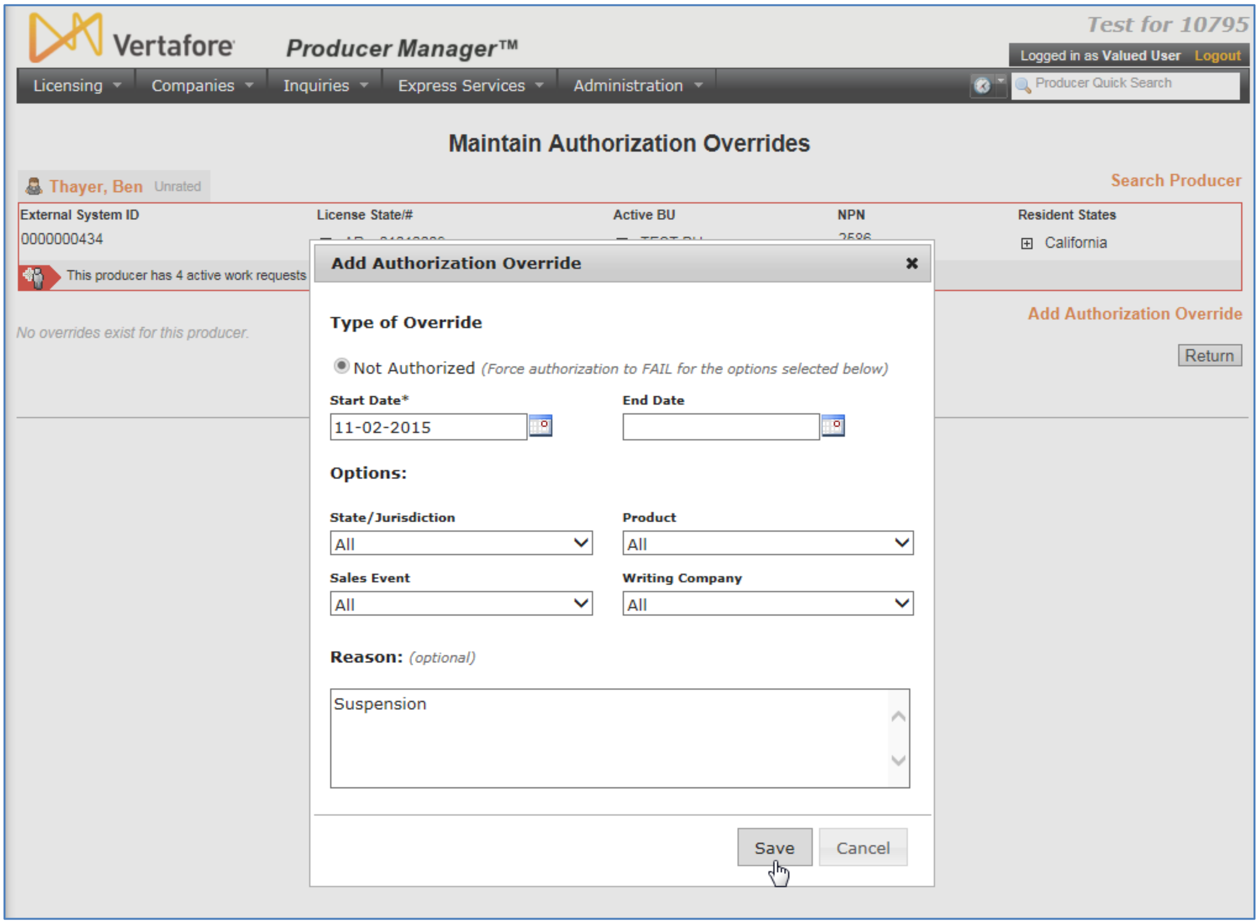


Figure 75 – Configure a "blanket" override by accepting all of the defaults and adding an optional comment in the Add Authorization Override popup box.

To apply a blanket override that lasts indefinitely, accept all of the default values in the the fields on the popup box. If desired, enter a text description in the **Reason** field. When you are finished, click the **Save** button. Then, any sales authorization check on the producer will return "Not Approved," regardless of entered criteria (as seen in the Figure 71 on page 70).

© 2016, Vertafore, Inc.

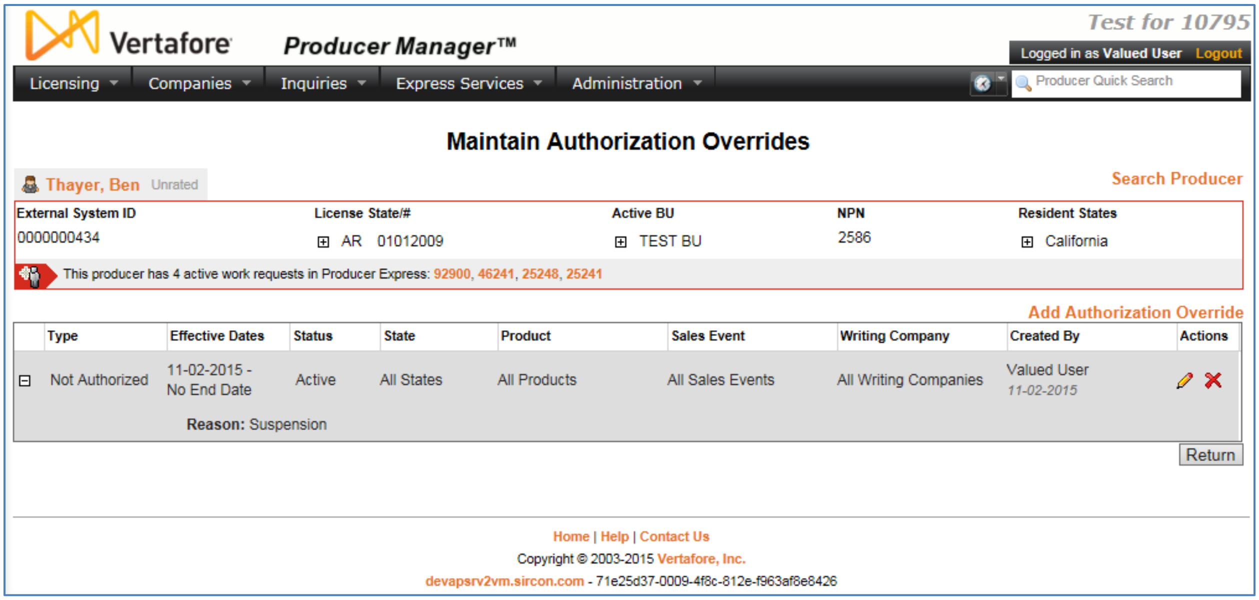


Figure 76 – View the new override on the Maintain Authorization Overrides page.

Or, should you need to finetune the override criteria, make specific choices in the option fields. For example, if you wish to block sales authorization in just one state, choose the state from the **State/Jurisdiction** dropdown menu. To override authorization for a particular product type, make you choice from the **Product** dropdown.

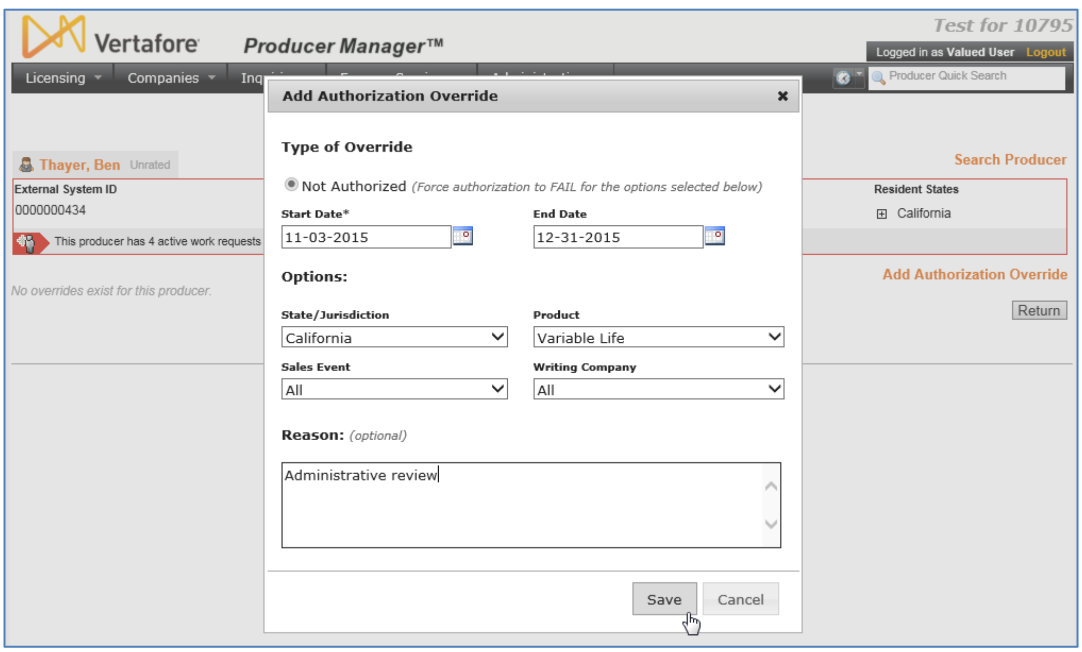


Figure 77 – Configure a more granular override setting in the Add Authorization Override popup box..

Similarly, if the override should last only for a specific length of time, such as during an administrative review period, add an override end date in the **End Date** field. You can click the **Calendar** button to open a popup calendar from which you can click to select a date.

When you have created an **Authorization Override**, it will display in the appropriate data section of the producer's record.

© 2016, Vertafore, Inc.

⊟ Authorization Overrides

Top

Add/Update/Delete Authorization Overrides

	Type	Effective Dates	State	Product	Sales Event	Writing Company	Created By
⊟	Not Authorized	11-03-2015 - 12-31-2015	California	Variable Life	All Sales Events	All Writing Companies	Valued User 11-03-2015
		Reason: Administrative review					

Figure 78 – View the new override in the Authorization Overrides data section of the producer's record.

With an **Authorization Override** correctly set, any sales authorization check that encounters the configured override criteria will return a "Not Authorized" result. This will occur in a check submitted in Producer Manager, using the **Verify Sales Authorization** capability, as well as an automated check using the Producer Authorization Web Service.

Retrieve a Sales Authorization Result from the Producer Authorization Web Service

The **Producer Authorization Web Service** allows a client to submit a request with criteria to determine whether a single individual licensee or agency producer is authorized to represent a specified product at a given step in the sales process in a given state for a given carrier underwriting company. A client may call the service as a check before allowing a business transaction to continue. This is very useful from the context of a policy application or new business system, assisting the role of an underwriting technician.

© 2016, Vertafore, Inc.

```
<soapenv:Envelope xmlns:soapenv:"http://schemas.xmlsoap.org/soap/envelope/"
xmlns:com="http://www.sircon.com/WebServices/services/CommonHeaders.xsd"
xmlsn:oas="http://docs.oasis-open.org/wss/2004/01/oasis-200401-wss-wssecurity-secext-
1.0.xsd"
xmlns:prod="http://sdb.sircon.com/webservice/prodauth/2012/05/ProducerAuthorization.xsd">
  <soapenv:Header>
    <com:SubscriberId>19198</com:SubscriberId>
    <oas:Security>[UserNameToken]</oas:security>
  </soapenv:Header>
  <soapenv:Body>
    <aut:AuthorizationCheckRequest>
       <aut:ProducerCriteria>
          <aut:EntityType>Individual</aut:EntityType>
          <aut:Name>AUTHORIZEDAGENT</aut:Name>
          <aut:TIN>978594233</aut:TIN>
       </aut:ProducerCriteria>
       <aut:Product>VL</aut:Product>
       <aut:State code="ND">
       </aut:State>
       <aut:Event>PAYCOMP</aut:Event>
       <aut:Company>
         <aut:NaicId>27120</aut:NaicId>
       </aut:Company>
       <aut:RelatedProducer>
          <aut:EntityType>Agency</aut:EntityType>
          <aut:Name>POE and BROWN AUTHORIZERS INC </aut:Name>
          <aut:CustomerId type="J8">0000001748</aut:CustomerId>
       </aut:RelatedProducer>
    </aut:AuthorizationCheckRequest>
  </soapenv:Body>
 </soapenv:Envelope>
```

Figure 79 – An example request for securities registration sales authorization submitted to the Producer Authorization Web Service.

The **Producer Authorization Web Service** responds with an overall status of PASS if the producer is authorized, or FAIL if the producer is not authorized. A status of ERROR is returned if the request could not be processed, because of a technical or configuration reason. Specific details, such as a detailed status of each evaluated rule, are not returned in the response. These details are available for review in Sircon Producer Manager.

```
<soapenv:Envelope xmlns:soapenv="http://schemas.xmlsoap.org/soap/envelope/" xmlns:xsd="http://www.w3.org/2001/XMLSchema"
 xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance">
   <soapenv:Body>
      <AuthorizationCheckResponse xmlns="http://sdb.sircon.com/webservice/prodauth/2012/05/ProducerAuthorization.xsd">
         <ResponseId>26878</ResponseId>
         <ProcessingStatus>
            <Status>Pass</Status>
         </ProcessingStatus>
      </AuthorizationCheckResponse>
   </soapenv:Body>
</soapenv:Envelope>
```

Figure 80 - Example "Authorized" response from the Producer Authorization Web Service.

For more information, please ask your Vertafore representative for the Producer Authorization Web Service User Guide.

© 2016, Vertafore, Inc.

Appendix A: Producer Sales Authorization Rules

This following table contains thumbnail information about the logic applied by each of the Producer Sales Authorization rules whenever a request is submitted.

Rule	Description	Configuration	Mapping	Notes
License/LOA	Verifies that a producer currently holds an active license/line of authority combination based on the state and product submitted with a sales authorization request.	• Applies to all insurance products • Applies to individuals and firms • May vary based on residency • Cannot be disabled	• Mapped by Vertafore; not user-modifiable • Does not vary based on sales event • Does not vary based on the type of distributor in a particular insurance transaction (i.e., an agent is verified using the same rules as an upline general agent that is receiving override commissions) • Mapping details for any product/state combination may be reviewed on the **View Regulatory Mappings** page in Producer Manager • Mapping details may be downloaded to a	• More than one combination of license/LOA may be considered valid for a specified product in a given state. When this occurs, a producer must hold at least one of the valid license/LOA combinations in order to be considered authorized • If a state does not require a license to sell a particular product, then the producer will pass the License/LOA rule automatically in a sales authorization check

© 2016, Vertafore, Inc.

Rule	Description	Configuration	Mapping	Notes
			spreadsheet to simplify review with compliance specialists	
Appointment/Affiliation	Verifies that a producer currently holds an active appointment or affiliation based on the state, product, and underwriting company submitted with a sales authorization request, as well customer-specific configuration for each sales event. Supports customer-specific "just-in-time" (JIT) appointment policies by allowing the following customer configurations per sales event and state: • Agency appointment requirement • Individual appointment requirement • Individual state-registered agency affiliation requirement • Individual appointment OR state-registered agency affiliation requirement	• Applies to all insurance products • Applies to individuals and firms • May vary based on residency • Applies only if appointment or affiliation is configured as enabled for a given sales event and state, using the **Appointments and Affiliations Settings** page in Producer Manager*. • Appointment type must be active in Producer Manager for the underwriting company submitted with the request * By default, a sales authorization check for either an individual or firm at any sales event requires an appointment and does not allow an affiliation to be substituted for an individual appointment	• Mapped by Vertafore; not user-modifiable • Does not vary based on sales event • Does not vary based on the type of distributor in a particular insurance transaction (i.e., an agent is verified using the same rules as an upline general agent that is receiving override commissions) • Mapping details for any product/state combination may be reviewed on the **View Regulatory Mappings** page in Producer Manager • Mapping details may be downloaded to a spreadsheet to simplify review with compliance specialists	• More than one appointment type may be considered valid for a specified product in a given state. When this occurs, a producer must hold at least one of the valid appointments in order to be considered authorized • Some customers have integrated distribution systems that require a producer to hold a state appointment, even if a sales state does not require an appointment for a given product. Vertafore maps a special "Carrier Requests" appointment type to the given product, which then can be customer-configured to be required for these states depending on the sales event. Under

© 2016, Vertafore, Inc.

Rule	Description	Configuration	Mapping	Notes
				any other circumstances, however, we recommend disabling the appointment rule for the state on the Appointment and Affiliation Settings page. • When verifying a state-registered affiliation for an individual, the rule does not verify that the affiliated agency is authorized. You must submit a separate sales authorization request for the affiliated agency. • The rules does not check additional appointment qualifiers, such as county code or license category code.
Education Credentials	Verifies that a producer currently holds an active education credential based on any combination of state, product, underwriting company, sales event, or related firm submitted with a sales authorization request.	• Fully user-configurable on the **Education Settings** page in Producer Manager • Applies to individuals only • Applies to any or all	• Underlying component mapping by Vertafore (template credential programs) and by customer (custom credential programs and education	• Education credentials must be user-configured in advance of their use with Producer Sales Authorization. For more information, consult the Producer

© 2016, Vertafore, Inc.

Rule	Description	Configuration	Mapping	Notes
		products, including insurance and securities products • May apply to one or multiple education credentials • May apply to one or multiple states (regulatory entities) • May apply to one or multiple sales events • May apply to one or multiple related firms • May apply indefinitely or for only a fixed period of time	credentials themselves)	Manager online help • Multiple variations of the rule may be configured, so that a product sales authorization request can check for compliance based on variations in state, related firm, education credential, or sales event. For example, a Fixed Annuity check might verify compliance with three separate education credentials: General Annuity Suitability, Product Training, and Anti-Money Laundering (AML) training
Securities Registrations	Verifies that a producer currently holds an active securities registration based on the state, product, and related firm (broker/dealer) submitted with a sales authorization request.	• Applies to all securities products, including variable annuity • Applies to individuals only • Must be Vertafore-configured for use • Can be disabled using a business rule, configured by Vertafore Customer	• Configured by Vertafore; not user-modifiable • Does not vary based on sales event • Does not vary based on the type of distributor in a particular insurance transaction (i.e., an agent is verified using the same rules as an upline	• More than one securities registration may be considered valid for a specified product in a given state. When this occurs, a producer must hold at least one of the valid securities registrations in order to be considered authorized

© 2016, Vertafore, Inc.

Rule	Description	Configuration	Mapping	Notes
		Support • Registration must be active for the identified related firm (broker/dealer)	general agent that is receiving override commissions) • Mapping details for any product/state combination may be reviewed on the **View Regulatory Mappings** page in Producer Manager • Mapping details may be downloaded to a spreadsheet to simplify review with compliance specialists	• Although underwriting company is a required field when submitting a Sales Authorization request, it is not used by the securities registrations rule.
Authorization Overrides	Verifies that a producer is not current subject to an authorization override that prevents authorization regardless of the success or failure of all other rules, depending on the parameters submitted with the authorization request.	• Fully user-configurable per producer record on the **Maintain Authorization Overrides** page in Producer Manager • May be enabled for any combination of authorization parameters (state, product, underwriting company, sales event, or related firm).	None	• May be used only to prevent authorization, not to allow authorization

© 2016, Vertafore, Inc.

Appendix B: Document Change History

Version Number	Date	Version Information	Notes
6.9	05/07/2014	Baseline draft	DOC-1009
7.2	07/15/2015	Updated to accommodate Securities and Education Credentials sales authorization checks and beefed up substantially overall.	DOC-1108
7.3	07/24/2015	Updated to include “Exploring Advanced Sales Authorization Information” and Producer Authorization Web Services chapters	
7.3.1	08/07/2015	Revised to fold in technical review comments and corrections	
7.4	11/2/2015	Updated to include Authorization Overrides, folded in more technical review suggestions, and reordered chapters in “More Sales Auth…” section.	DOC-1121
7.4.1	02/27/2016	Added Appendix A: Producer Sales Authorization Rules	DOC-1148
7.6	07/13/2016	Added “Using Sales Authorization in an Onboarding Workflow” section. Reorganized “More Sales Authorization Information” section	DOC-1163

© 2016, Vertafore, Inc.