



CHALLENGES AND SOLUTIONS FOR LICENSING & COMMISSIONS LEADERS.

3rd Edition: SILA 2025

Part 1: Core compliance topics

1. ADOPT JUST-IN-TIME APPOINTMENTS

- Develop a business case based on the savings opportunity and competitive landscape
- Assess agent experience impact
- Define the controls and process, including performance targets
- Develop reporting to monitor compliance and process 'health'
- Enable specialized reporting for market conduct exams
- Expand savings opportunity to appointment renewals with terminations for lack of production

2. SIMPLIFY AND AUTOMATE LICENSE RENEWALS

- Leverage technology to annually collect forms and e-signatures
- Complete data entry to renewal processing automatically with system interface
- Enable staff to handle exceptions
- Track and manage the process and performance of submissions
- Automatically sync licensing information with the states and the PDB

3. CREATE A SUPERIOR AGENT EXPERIENCE

- Self-service provides transparency AND helps reduce call volume
- Evaluate onboarding contracts and simplify / standardize
- Reduce data entry with 3rd party data
- Agency operations managers want to help! Keep them in the loop
- Compensation plays a major role in agent experience

Part 2: Core compensation topics

4. PREPARE THE PRODUCER'S SELLING RELATIONSHIPS

- Compensation setup starts with agent onboarding
- To define selling relationships, you must first understand the 5 W's
 - **WHAT** elements define the relationship: *Contracts and commission schedules*
 - **WHO** is going to get paid: *Payees and their hierarchy*
 - **WHEN & WHERE** do they want to get their payments: *Leverage agent preferences*
 - **WHY/HOW** will accurate payments be determined: *Writing numbers, effective dates, and various policy details*

5. VERIFY AUTHORIZATION TO ENSURE COMPLIANCE

- Compliance and compensation are increasingly being handled together
- The regs are clear (see PLMA: MO-218-10, Sect. 13: Commissions) licensing compliance is required to receive compensation for the sale of insurance policies
- Be ready to prove compliance verification at time of payment
- Design compensation systems that catch compliance errors and handle them gracefully

6. CATCH & GRACEFULLY RESOLVE COMPENSATION ISSUES

- Compensation plays a major role in agent experience
- Build in controls that make it hard for agents to make the “wrong” choice
- Detect errors before \$ goes out the door to avoid claw backs
- Simple compensation statements improve agent experience and helps avoid disputes
- Apply customer service principles when handling disputes and chargebacks when they do happen

Part 3: Complete distribution management

7. COMMON CHALLENGES IN DISTRIBUTION MANAGEMENT

- Credentialing is a challenge at scale
 - The producer lifecycle is complex
 - All stakeholders need to know who is authorized to sell
- Compensation must enable your strategy
 - Agents sell what you incentivize them to sell
 - Strategic programs get complex administer very quickly
- Agent experience is essential
 - Distribution management touchpoints are often overlooked by these initiatives

8. WHY LEVERAGE STRATEGIC DISTRIBUTION MANAGEMENT

- Strategic distribution management brings together everything you need to create and nurture selling relationships with your agent partners
- Everything is connected - If you only look at one part of the problem, you miss the bigger picture

- Find an area of strategic importance that resonates with your organization:



Fuel Growth

- Enables an agent-centric approach
- Compelling agent compensation
- Simplifies expansion into new states, lines, and channels



Drive Efficiency

- Single source of truth, eliminates duplication
- Streamlined processes, including automation
- Ensures accurate data
- Simplifies ecosystem integration



Manage Risk

- Align with best practices
- Ensure compliance at every step in the producer lifecycle
- Access to compliance experts



It's not a mashup.
It's a **symphony** of
strategic distribution.

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