

# Consulting Case Studies

**Example** – Help company establish a profitable new distribution channel without disrupting their current one

**Background** – A large life company was losing top producers to MGAs and IMOs. It wanted to evaluate offering an independent producer contract to help them retain current producers. They needed an understanding of what products, support, commission and bonus payments, and services they needed to provide, and how to position the resulting channel with the current system.

**Solution** – LIMRA Consulting delivered a comprehensive review of policies, procedures, and practices of typical independent producer organizations which included

- Commission rates and benefits
- Product offerings
- Recognition and reward practices
- Home office and field organization structure and support levels
- Recruiting, selection and transition practices
- Contractual formats and language
- Unit cost levels in relation to pricing

Based on that information, we helped them develop a competitive and profitable design that they could offer to a select group of existing producers and eventually to unaffiliated producers who fit their approach to the market. This included advice on how to transition current producers to the new channel in a fair and equitable way for all parties.

**Example** – Assessment and benchmarking of wholesaler compensation structure, pay levels, and organization design, with recommendations to support company goals

**Background** – A large wholesaling organization had become quite complex over time, including multiple positions with similar responsibilities, but different titles and pay plans. Management was uncertain whether their plans were paying the right amounts and whether they had the best designs to drive and reward the desired results.

**Solution** – LIMRA Consulting completed a comprehensive review of their compensation plans and organization design which included

- An in-depth review of the wholesaler job descriptions, historical productivity and compensation results, producer productivity and associated metrics, and the intended competitive positioning of compensation plans
- Benchmarking of target, actual and mix (salary vs. variable) of pay compared to similar roles in peer companies with similar productivity
- Evaluating structure, pay frequency and range of outcomes for goal-based incentives

Based on our findings, we:

- Determined plan design effectiveness with respect to growth, profitability, consistency, motivation, competitiveness, use of appropriate metrics, and new hire practices
- Assessed plans' ability to foster teamwork within each group and between internal and external wholesalers
- Recommended compensation plan revisions that reflect the findings of our assessment

