

# PHOENIX ENHANCES PRODUCER COMPENSATION SYSTEMS AND SUPPORT

CSC

## Carrier Manages Complex Distribution Program with Advanced Software

Through its various operating subsidiaries, The Phoenix Companies offers a range of wealth management products – variable annuities, universal life, variable universal life and term life policies – designed for affluent and high net-worth individuals.

As its distribution model evolved from largely a career agency system to a complex array of broker-dealers, insurance companies, advisor groups and financial planning firms, Phoenix faced multiple technical and business issues regarding incentive and compensation management.

Phoenix had been among the first carriers to license CSC's PerformancePlus® to manage compensation in 2001. Over time, the company had made some modifications to support various business initiatives and the requirements of several back-end legacy systems. Through its longtime relationship with CSC and involvement in CSC's users' communities, Phoenix was aware of the latest version of PerformancePlus and the advantages it offers. But, thinking it would be cost-prohibitive, the company went several years without an upgrade.

### Leveraging Capabilities of CSC's Global Resources

In 2008, Phoenix made an enterprisewide decision to reduce ongoing application costs, and improve operations and profitability, by installing current versions of vendor-supplied base products. Armed with a new corporate directive, Phoenix approached CSC about upgrading PerformancePlus. CSC worked with Phoenix to develop an affordable upgrade plan to emerge from the legacy space.

Several years earlier, Phoenix had transferred PerformancePlus application support – including development, maintenance, software execution monitoring, problem resolution and testing – to CSC's resources in India. It was a decision that resulted in significantly lower labor costs. For the upgrade, Phoenix returned to the CSC offshore team to leverage its existing knowledge base and capabilities.

CSC evaluated Phoenix's custom modifications against the new base version of PerformancePlus, and found that in some cases the functionality of the mods was already built into the upgrade. Any additional custom

### CASE STUDY

- Increased Flexibility for Paying Producers
- Accelerated Services to Producers
- Improved Integration with Back-End Systems
- Reduced Demand for IT Support

## The Phoenix Companies

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Anne Llewellyn, Project Manager, Distribution Administration



modifications that Phoenix needed were layered onto the upgraded base code by CSC offshore. The two companies collaborated on the implementation: Phoenix tested the deployment; CSC then delivered the code to Phoenix's environment to run in parallel.

The project entailed bringing more than 5,000 modules of code into production. Phoenix scheduled a series of deployments, enabling the carrier to tackle any hurdles very early on. "Any time we had issues, right up to the finish line," said Rob Montecalvo, second vice president of Phoenix's Information Technology, "we would discuss the issues with CSC onshore. CSC onshore provided direction to CSC offshore, adjustments would be made, and we would review the results in the morning and start the cycle again."

"During the deployment, we had CSC employees here working in shifts," Montecalvo said. "The motivation of the people we had with both CSC and Phoenix really helped ensure that we successfully completed this project. We were very well supported."

#### **Giving Producer Service Greater Functionality**

Anne Llewellyn, project manager of Phoenix's Distribution Administration, said that Phoenix gained immediate benefits, such as the ability to support the time-consuming process of commission chargebacks with a table entry in the new system. Customer service can change drop-down menus to display values, rates, text and rules, and they are better equipped to retrieve producer information.

"From a reporting perspective, we were always looking at things such as, 'What has this person done for Phoenix?'" Llewellyn recalled. "Now we can go to one place in PerformancePlus and see whether producers are registered with a broker-dealer and whether

## **ABOUT THE PHOENIX COMPANIES**

The Phoenix Companies Inc. is headquartered in Hartford, Connecticut. With a history dating to 1851, Phoenix helps its customers find straightforward solutions to often highly complex personal financial and business planning needs through life insurance and annuities. Its products are available through a wide variety of third-party financial professionals and intermediaries.



they have relationships with other carriers. We can see the nature of those relationships as well."

PerformancePlus also keeps the staff from having to look into each policy administration system to check on commission results for individual policies. "With PerformancePlus, we can see if a policy was added, and we can see the payments that came in and the compensation related to those payments," Llewellyn added. "We also have abilities now to make adjustments on advances."

#### **Tailoring Compensation to Distributors**

One of the biggest benefits of PerformancePlus is the ability to support complex hierarchies that split compensation easily and accurately.

"We often have to split compensation among two and three levels of producers – and not just the target compensation but also renewals and excess," Llewellyn said. "A lot of those splits would have had to occur in our admin systems, and our admin systems have no knowledge of a hierarchy. They didn't have the data or the ability to calculate different rates for different producers."

Now the new system provides full support for new compensation plans created by Phoenix's product development team.

"Since upgrading to PerformancePlus, our product sales, life distribution and the sales force are taking advantage

of the flexibility we have to split compensation," Llewellyn said. "So we've seen more variations in the total payouts. Now we have three and four different target payouts and then we can split the renewals and excess three or four different ways. That's given us more flexibility, and the sales force area is able to tailor agreements by distributor."

PerformancePlus has eased the process of making rate changes and is providing a higher level of integrity and detail than Phoenix's legacy systems could provide. "Because we are on the new architecture, it's easier, faster and less expensive to do administrative things that we were struggling with before," Llewellyn said.

The greatest advantage since the upgrade, according to Montecalvo, is that Phoenix is "better positioned to streamline our environment and consolidate our footprint over time. We'll be better able to take advantage of opportunities than we were before."

Phoenix uses other CSC software including VANTAGE-ONE® for policy administration, Repetitive Payment System for disbursements and JETS® for automated data transfer.

**To learn more about CSC's life and annuity software and services, call 800.345.7672 or send an e-mail to [inforequests@csc.com](mailto:inforequests@csc.com).**

