

# PANORAMA

# 360

THE INSURANCE AND WEALTH  
MANAGEMENT

BUSINESS PROCESS MODELS

**Version 4.0**

**Preface by**

President and Chief Operating Officer of an Insurance Company  
Chair of OMG's BPMN MIWG  
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**THE DEFINITIVE REFERENCE TO DESIGN, DEVELOP, IMPLEMENT AND TRANSFORM  
BUSINESS PROCESSES IN THE INSURANCE AND WEALTH MANAGEMENT INDUSTRY.**

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**Other books in the Panorama 360 Insurance and Wealth Management Suite:**

- **Panorama 360 Enterprise Business Architecture Framework**
- **Panorama 360 Enterprise Information Model**
- **Panorama 360 Merger and Acquisition Methodology**
- **Panorama 360 Market Segmentation and Product Development Methodology**
- **Panorama 360 Project Delivery Maturity Assessment Methodology**

For more information, contact us at [Info@InsuranceFrameworks.com](mailto:Info@InsuranceFrameworks.com)

# Preface

*“Panorama 360 is a reference framework that has been integrated at La Capitale General Insurance and its subsidiaries for over 8 years, both in our projects, architectural approaches and various analyses.*

*Whether it is used to organize and analyze business processes, prepare projects, perform requirements modeling or for our ROI activities, this reference framework provides a reliable source of information. When accessing the 75 major insurance business functions, which are skillfully identified and concisely described, we obtain a clear scope definition of the targeted business domains, highlighting the context and therefore facilitating decisions. The richness found in Panorama 360 is based on the fact that the 500 documented business functions are focused on the insurance industry.*

*Now integrated into our business activities, the Panorama 360 insurance reference framework ensures greater velocity and more particularly in validating that all business areas and services in our companies are addressed. Used in concert with our official project management, architecture and business analysis methodologies, Panorama 360 ensures consistency in our practices, offering a value proposition centered on business.”*

*Constance Lemieux, C.Dir., President and Chief Operating Officer  
Property and Casualty Insurance Sector of La Capitale*

*“Panorama 360 Insurance and Wealth Management creates a common language and information structure for organizations to capture and communicate their business process architecture. This comprehensive framework acts as catalyst and accelerator for visualizing, innovating, transforming and/or improving how things get done within an organization.”*

*Denis Gagné, Chair of OMG’s BPMN MIWG and CEO & CTO Trisotech*

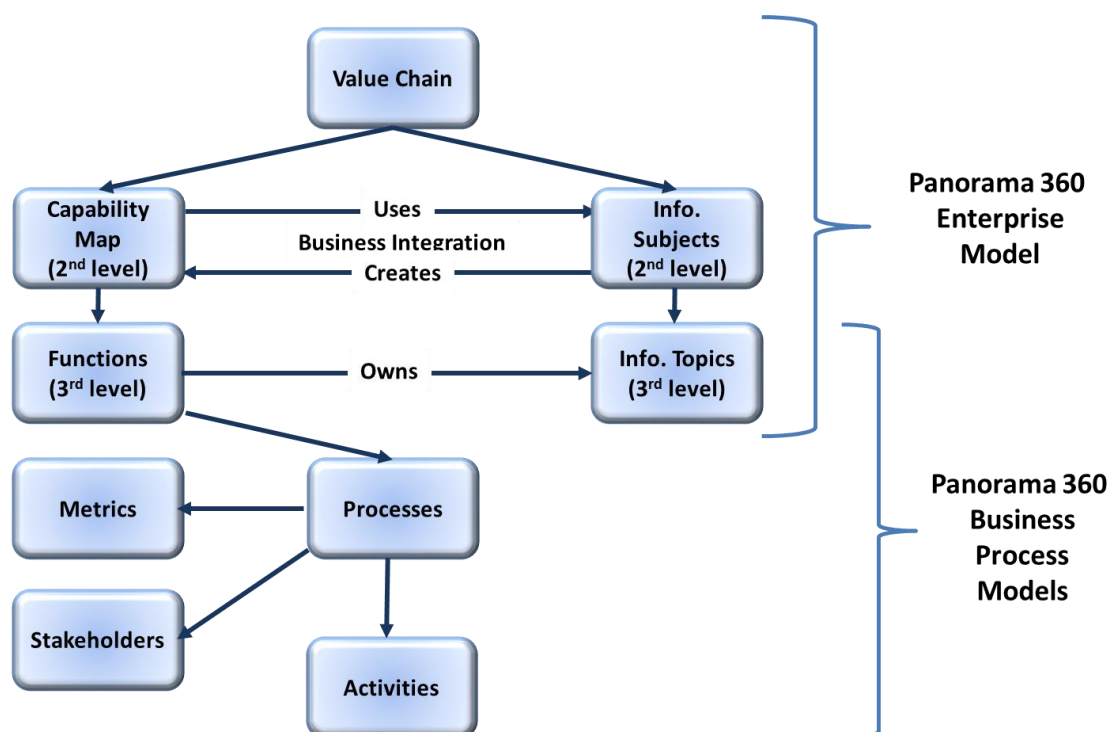
*“Panorama 360 represents a comprehensive and easy to use reference architecture model for the insurance and wealth management industry. From new product introduction to process re-engineering, these end-to-end models can be used to accelerate change often required to survive in a highly competitive environment.”*

*Paul Dolbec, Retired Senior Director, Oracle Insurance Business Unit*

# Leveraging the Enterprise Model

A previous book published by Insurance Frameworks called Panorama 360 Insurance and Wealth Management Enterprise Business Architecture Framework has been used as the source to create the Business Process Reference Models contained in this book.

The Enterprise Business Architecture Framework book describes all the functions and all the information components and structures that are part of the insurance and wealth management industry. In addition, it also describes the level of integration and dependencies that exists between the functions as well as between the functions and the information components, thus determining the information ownership. This is the Insurance and Wealth Management Enterprise Business Architecture Framework or also called the Enterprise Model.





The business functions that are described in the Panorama 360 Enterprise Business Architecture Framework book are leveraged and used to define the business process models that are contained in this book.

This Panorama 360 Insurance and Wealth Management Business Process Reference Models book contains:

- Industry Value Chain
- Capability Map
- Business Processes Reference Models
- Key Activities found in each process

This book is complete in itself to create business processes for insurance and wealth management organizations. Any content that we used from the Enterprise Business Architecture Framework book has been copied in this book.

Forget the white page syndrome. The process models that are described in this book are the definitive reference when defining business processes, developing business requirements or transitioning to a new business model. This book also includes a significant number of activities that are performed within the different processes. Using them will help design business processes and business requirements in a much more complete and efficient manner.

This book also includes several questions that need to be answered when defining processes or business requirements. It can equally be a great tool to train employees on the different processes found in the insurance and wealth management industry.

# Using the Enterprise Model to Create Process Models

An enterprise model is like a box of interlocking blocks where one can find components that can be assembled and connected to become part of a structure. Such a box would have a number of smaller blocks that, when assembled together, can represent buildings or any objects that can be made with these blocks.

An enterprise model acts in the same way. They are the functional and information components that can be found in an organization, just like interlocking blocks or parts of a puzzle. When assembled together in a specific sequence, they become processes.

This book contains the core business processes that can be found in the insurance and wealth management industry. This includes any insurance company, wealth management organizations, banks, brokers, mutual funds organizations, etc...

To create the processes in this book, we used the business functions that are found in our previous book, Panorama 360 Enterprise Business Architecture Framework. The Enterprise Business Architecture Framework book describes all the functions and information component structures that are found in the insurance and wealth management industry.

This Panorama 360 Business Process Reference Models book is a practical approach to defining processes in the insurance and wealth management industry, although it could also be used for banks. Most products offered in the insurance industry are also offered in banks. This book provides examples of processes and activities that are at the core of the industry value chain.

If you are interested in the information models that are associated with the business functions found in this Panorama 360 Business Process Reference Models book, please refer to the Panorama 360 Enterprise Business Architecture Framework book. Each function is described with the information components that are associated to each of them.

# What is Panorama 360 Enterprise Business Architecture Framework?

Panorama 360 Enterprise Business Architecture Framework is a knowledge framework to plan and design organizations, processes, and technology – a documented knowledge base containing business function definitions, information components and structures, as well as organizational aspects covering the full breadth of business managed in an Insurance and Wealth Management enterprise. It is a practical reference model for use in business process, management information, and information technology planning, design, development, implementation, including on-going management. These functions are now used in this book to define the processes.

Panorama 360 can be tailored to a particular organization or project requirement and permits the enterprise to capture and leverage its own processes and organization knowledge.

Panorama 360's knowledge base is a result of more than 50 years of industry related expertise, 10 years of direct modeling effort, and represents the best practice approaches found around the world. Panorama 360 encompasses such concepts as: segmenting target markets, improving product development process, managing customer relationships, cross-selling products, maximizing distribution channel effectiveness, measuring business success, and supporting business functions with appropriate technology.

The models have been successfully applied in several organizations in the Life, Health, Wealth, Group, Property & Casualty, Mutual Funds, Securities Brokerage industries and even in banking.

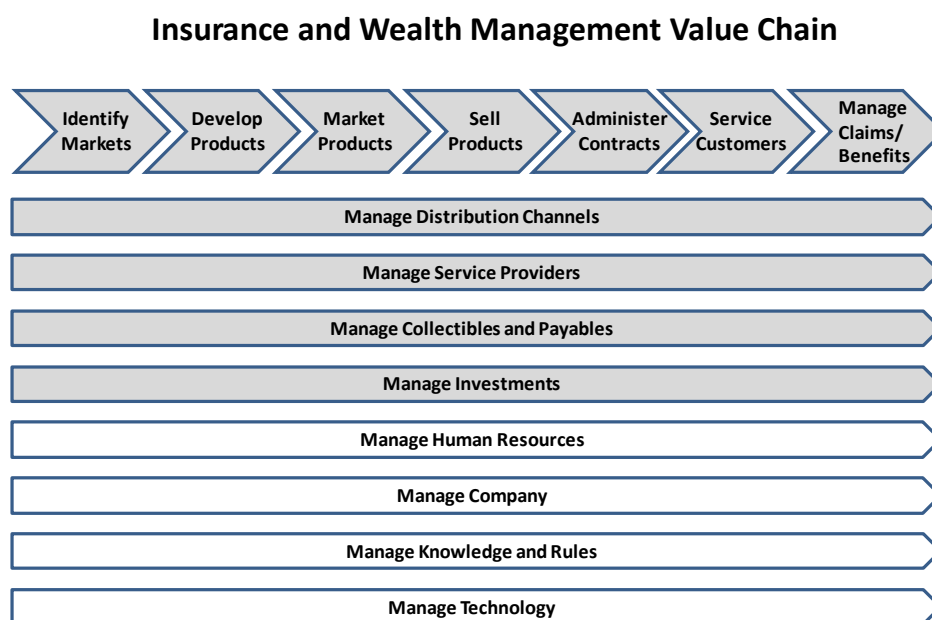
The models in the Enterprise Business Architecture Framework book represent the first three levels of a functional decomposition. The first three levels are:

- Business Domains (11 domains)
- Major Functions (70+ major functions)
- Business Functions (500+ business functions) and their capabilities

A significant number of the business functions found in the Enterprise Business Architecture Framework are used throughout the definition of the business processes in this Panorama 360 Business Process Reference Models book.

# Insurance and Wealth Management Value Chain

The following diagram represents the Insurance and Wealth Management industry value chain.



The value chain components that are covered in this book are:

- Identify Markets
- Develop Products
- Market Products
- Sell Products
- Administer Contracts (also called Policies)
- Service Customers
- Manage Benefits/Claims
- Manage Distribution Channels
- Manage Service Providers

The business processes in each of the above value chain components are described in this book.

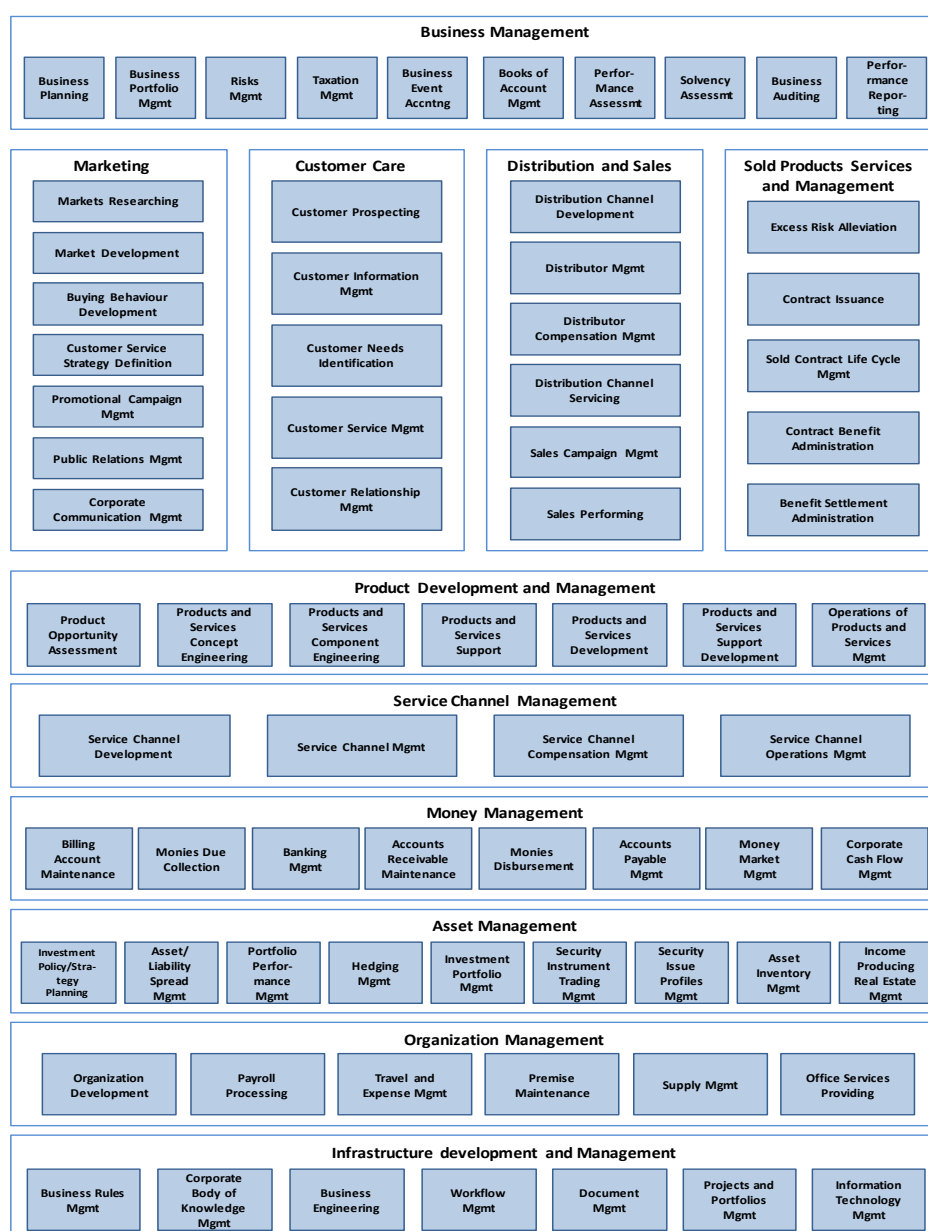
Regarding the following two value chain components, they are addressed as part of the processes and their functions and activities are included in different process flows.

- Manage Collectibles and Payables
- Manage Investments

The functions within the Manage Investments value chain component will be used for products that are sold to customers with an investment element.

# Insurance and Wealth Management – Business Capabilities

The following chart represents the business capabilities for the Insurance and Wealth Management industry. Each company may put more or less emphasis on certain capabilities depending on how they want to differentiate themselves or where they need to improve the business in order to meet their corporate objectives.



# Introduction to Panorama 360 Business Process Models

This book should be used as a reference. It reflects the business processes found within:

- Marketing Management
- Product Management
- Distribution Management
- Sales Management
  - New Sales
  - Up-selling and Cross-selling
- Service Provider Management
- Client Management
- Contract Administration
- Benefits/Claims Management

These process models are meant to be referenced and serve as mind triggers during process definitions and business requirements. It also covers a significant number of activities that are performed within the different processes being addressed. The models in this book address all the product types in the insurance and wealth management industry. This includes:

- Protection products (Life, car, business, health, home, etc...)
- Investment products (Mutual funds, guaranteed investments, stocks, etc...)
- Loans products (Mortgage, personal loans, etc...)
- Fee for services

These models may need to be tailored to your specific situations as they may cover broader business aspects than what is required by your organizations. They are meant to be a representation of good practices in insurance and wealth management. Using them should help you design business processes and



business requirements for your organization in a much more complete and efficient manner.

The business processes represented in this book may reflect exactly the sequence of your processes but may also need to be tailored to reflect your reality. The sequence may need to be changed to be an exact representation of what you want your processes to become. This is normal as the sequence within processes may be different from company to company. However, the functional components that are used should be very similar from company to company.

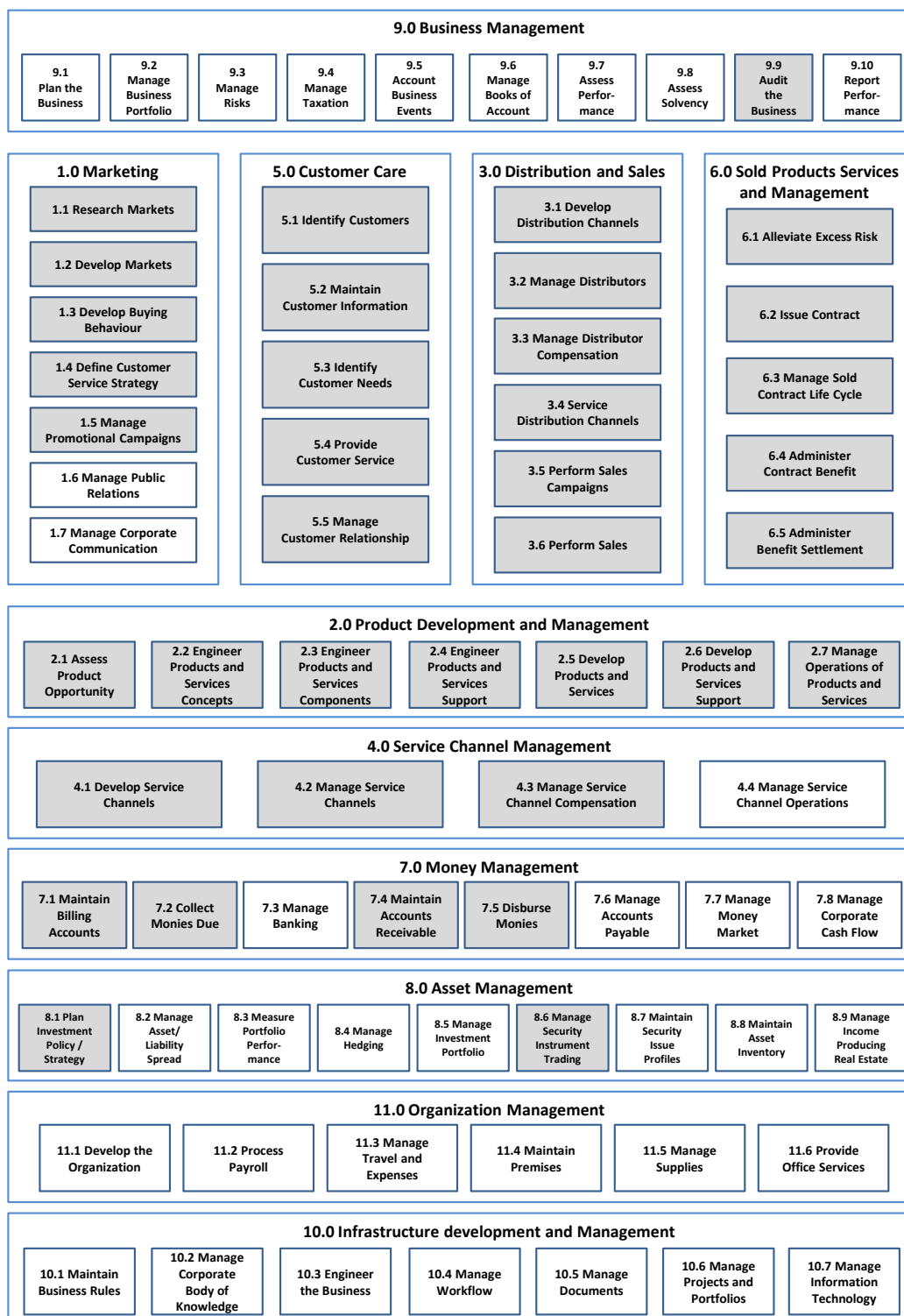
The major functions that are used from the Panorama 360 Enterprise Business Architecture Framework to define the business processes in this book are represented by the shaded boxes in the following chart. All these major functions are then exploded into business functions and then sequenced into processes with activities within each the processes. All the non-shaded boxes are not included in this book as they were not needed to describe the processes in this book.

All the business function definitions that are in this book are copied directly from the Panorama 360 Enterprise Business Architecture Framework. You may need to add or subtract details to reflect your own company situation.

The numbering system used to describe the major functions and business functions in this book is the same as what is found in the Panorama 360 Enterprise Business Architecture Framework book. For the sake of consistency between the two books, since the business processes in this book are using the functions found in the Enterprise Business Architecture Framework book, we used the same numbers in both books.

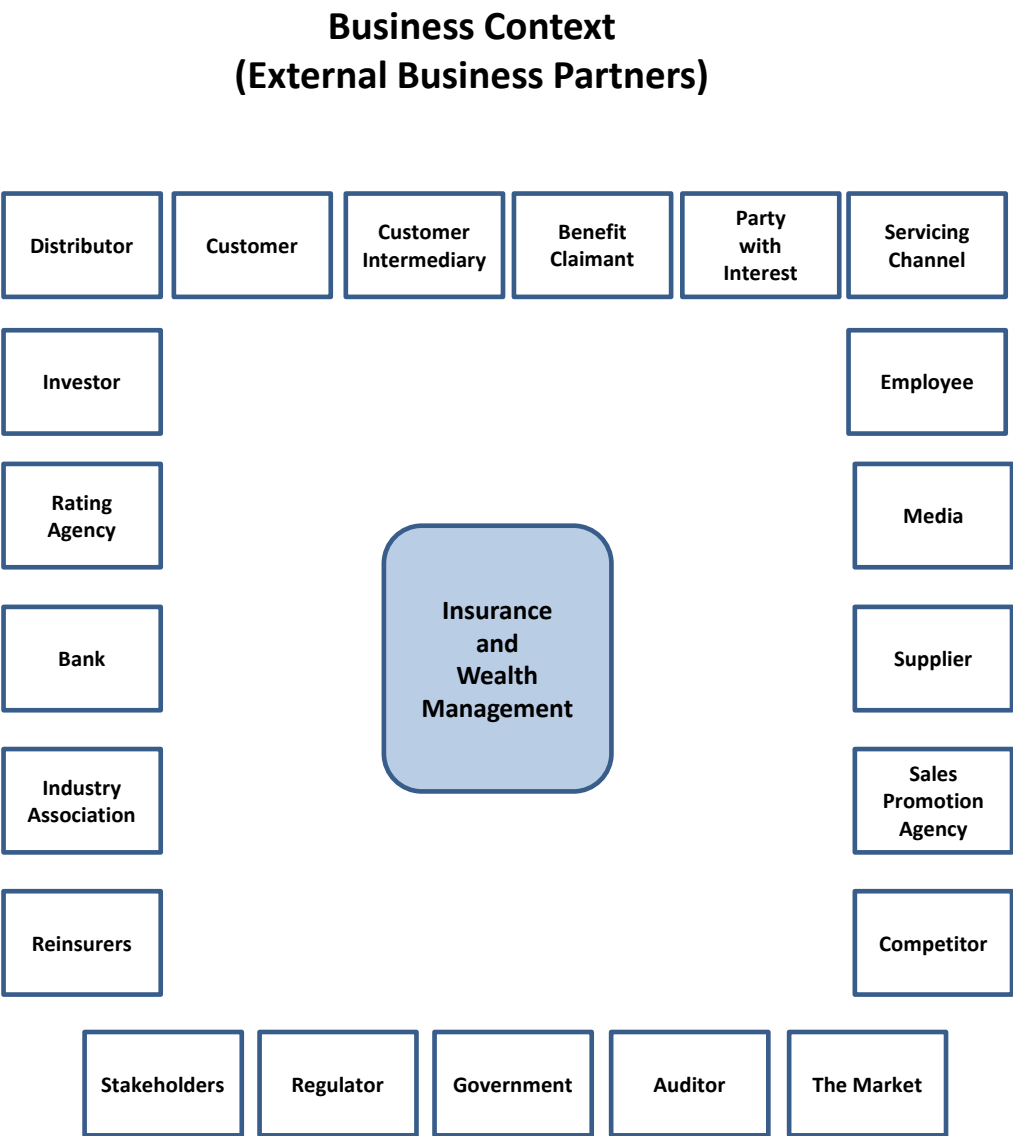
For those interested in getting more information on the non-shaded major functions found in the following chart, including the business functions that are within those major functions, they are described in the Panorama 360 Enterprise Business Architecture Framework book.

The shaded boxes in the following chart represent the major business functions that are used in the business processes described in this book. All the business functions and activities comprised within these major functions are used to describe the business processes in this book.



# Industry Business Context Diagram

The following diagram represents the major external entities that have a role to play in any insurance and wealth management organization. Depending on the lines of business that are being addressed, the external parties may vary. This is not meant to be an exhaustive list but represents a common list of external stakeholders that would be involved in the processes. More detailed context diagrams related to Contract Management and Benefit/Claims Management are also contained in this book.



## Business Questions

When defining business processes or business requirements, interviewing management may need to take place to understand their business vision and objectives. This section is meant to serve as mind triggers during process and business requirement definitions while interviewing management.

The following sections outline a series of questions to assist business analysts during these sessions. The questions are structured into major functional areas that are recognized throughout the organizational life cycle. These questions are not meant to be exhaustive and do not cover all the types of functions found in an insurance company. They are guidelines to assist in defining a complete set of questions. You can add your own questions to this list.

The areas that are covered in these questions are:

- Customer Knowledge Management
- Customer Service Management
- Product Management
- New Business Management
- Contract Issuance Management
- Contract Change Management
- Renewal Management
- Termination Management
- Reinstatement Management
- Reinsurance Management
- Life Cycle Management
- Distribution Channel Management
- Service Channel Management
- Benefit/Claims Management

**In the following Sections, questions about each topic are being addressed.**

# Identify Markets Processes

The following processes refer to the ability to identify markets to target.

The overall process is subdivided into 5 major processes that are described individually. These processes are:

- Research Market
- Develop Markets
- Develop Buying Behaviour
- Develop Customer Service Strategy
- Develop Promotional Campaign

For your information, we have published a book called Panorama 360 Target Market and Product Development Methodology which outlines a detailed deliverable based approach to segmenting markets and developing financial products.

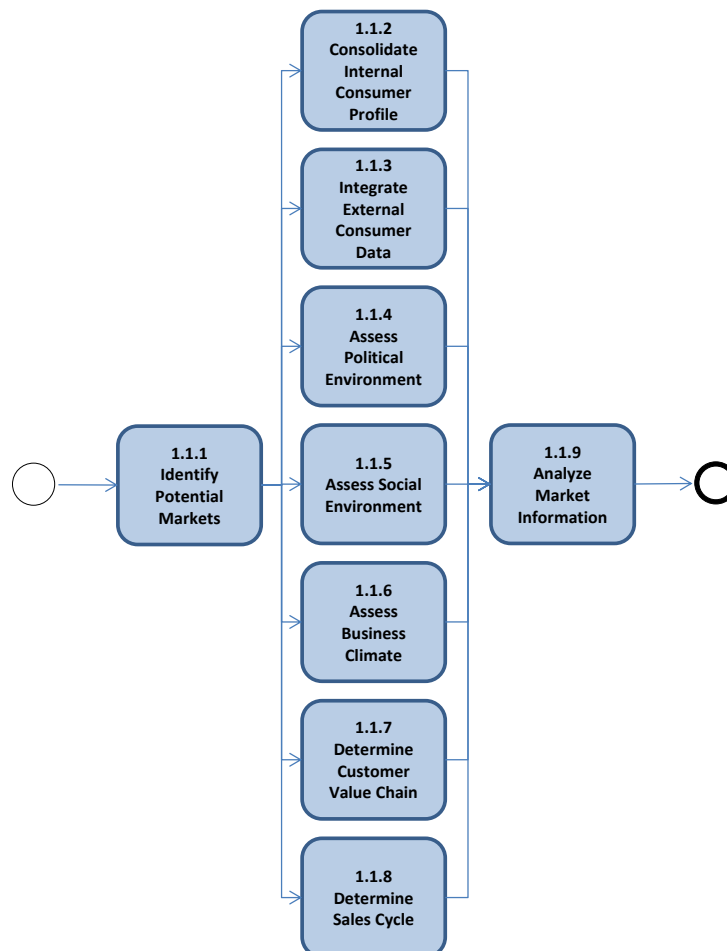
## Research Market Process

### Research Markets

From many sources, on different subject matters, and from various angles, gather information about markets which are the target of the organization. With this information on hand, assess the viability and macro-opportunities offered by the observed environments.

Among the functions that would be included under this, are consolidations of consumer profiles, gathering of external consumer data, and assessment of the political environment.

#### Research Markets



### **1.1.1 Identify Potential Markets**

Gather relevant information about the various markets which may be of interest in order to expand the organization. The information related to these markets could be high level impressions based on trends, population growth, evolution of economy and perceived readiness to do business.

The suggested activities are:

- Seek knowledge from experts
- Gather knowledge from market studies
- Identify potential markets

### **1.1.2 Consolidate Internal Consumer Profile**

Gather relevant information, available internally, on customer profiles, purchasing behaviour, complaint profiles, consumes requests, previous focus groups, customer satisfaction surveys, profitability assessments which could be useful to perform the research of potential new markets in line with the corporate objectives and directions.

The suggested activities are:

- Gather internal information about:
  - Customer profiles
  - Purchasing behavior
  - Complaints
  - Customer requests
  - Customer satisfaction surveys
  - Portfolio profitability
- Plan focus groups
- Review previous focus groups

### **1.1.3 Integrate External Consumer Data**

Gather relevant information, available through external sources, on consumer needs, consumer purchasing behaviour based on consumer profiles by revenue, by regions, by distribution channels, etc... , current sales volumes and

profitability, which will provide indicators as to where the market is, where it seems to be going, how and where it is growing, and what consumers expect.

The suggested activities are:

- Gather information from external sources about:
  - Consumer needs
  - Consumer purchasing behavior
  - Market segmentation data
  - Sales volumes if products already being offered
  - Profitability if products already being offered
  - Growth expectation

### **1.1.4 Assess Political Environment**

Gather information on the political environment, how supportive the government is towards certain products or ways of doing business, how the government s to legislate certain fiscal aspects as well as social benefits, and what is the likelihood that this may change in the future. Assess the existing regulatory environment and how it supports the products and services that are part of the offering.

The suggested activities are:

- Gather information from external sources about:
  - Regulations
  - Legislations
  - Fiscal aspects present and potential future

### **1.1.5 Assess Social Environment**

Gather information on the social fiber of the market, how prepared is the population to accept new products and services or variations of products, new or improved ways of doing business, what is the openness to savings and investment as opposed to insurance/protection, what others initiatives have been attempted in the past and how well received were they.



The suggested activities are:

- Gather information about:
  - Social environment
  - Readiness level to accept product changes or new products
  - Saving trends and attitude
  - Investment trends and attitude
  - Results from product changes or new products attempted by the market

### **1.1.6 Assess Business Climate**

Gather information on how current businesses operate in the market, what is the penetration level, what taxation aspects do they have to face, who are the potential competitors, how is the climate expected to change or to stay similar. Identify potential and non-traditional competitors as well as substitute or alternate products.

The suggested activities are:

- Gather information about:
  - Business climate
  - Job situation
  - Unemployment situation
  - Taxation situation
  - Market competition
  - Other similar products on the market

### **1.1.7 Determine Customer Value Chain**

Based on what is known of the targeted markets, identify the full spectrum of financial services that will meet consumer expectations and the network of distribution and service delivery that will be required. Which stages of the customer value chain will tend to pull the attention and stimulate the needs?

The suggested activities are:

- Determine full portfolio of products and services to meet customer expectations

- Determine the distribution channels required
- Determine service levels to meet
- Determine what are the elements that will make a difference
- Determine how to stimulate the needs

### 1.1.8 Determine Sales Cycle

Based on the markets that are targeted, determine the sales cycle that will be required to develop prospects and book new business. Depending on the culture or other social aspects and the products and services, the sales cycle will be longer or shorter, through local associates or direct, easy or difficult, emotional or analytical, pull or push, etc...

The suggested activities are:

- Determine the potential sales cycle
- Determine the potential access network to market
- Determine the potential distribution requirements

### 1.1.9 Analyze Market Information

Based on the above-mentioned information, generate analyses, models, simulations and profiles to paint a picture relative to the potential markets, new or enhanced products, population segments, in order to form a base to decide which areas or markets the organization could develop.

The suggested activities are:

- Generate analyses
- Generate projection models
- Simulate different scenarios for
  - Potential markets
  - Type of products
  - Potential sales volume
  - Which market segment to go after

**The following Sections cover each process in the Table of Contents in much more details.**