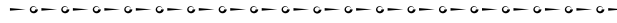


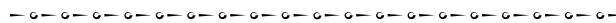


# COMMISSION COACH

PROTECT • GROW • SELL



Wendy is active and has built a Medicare book of business with several hundred clients. She is aware that she has no protection in place for her commissions. She explained her desire to work another few years but at 70 is looking for a way to avoid AHIP and carrier annual certification. She has a couple friends whom are also looking for similar solutions. Some commission solutions fit many brokers, but every broker's situation is unique, and solutions need to be customized to fit the situation. Wendy learned about the process for commission protection which gives her the ability to continue to be active and have a plan in writing to have all her commissions protected. In each case carrier transfer forms are prepared for the retirement date or use in an emergency. A client retention plan is also outlined and put on hold until needed. When an agreement is in place Wendy will know her protection will cover her commissions with a proven plan. Wendy does not have a Successor broker in mind and if she sees the fit, I offered my team approach as an option for her to consider. Should she find another Successor we can assist her to develop her agreement and work with her Successor on the deal points. We advised her that in all situations a purchase agreement needs to be included in the protection agreement. All agreements also need a plan in place to transfer commissions and client relationships. Wendy is considering a visit to our office to meet our team and learn more about the details we cover in our process. She may still settle on another Successor, so we will outline how we can help her to coach her through the process we see as the proven best practice. Wendy was pleased to learn she has options to consider for her commission planning.



Mark also arranged a 15-minute call to learn about his commission options. He has grown a solid group book of business all on his own. Now in his late 50s, Mark is very active and successful but knows he needs to protect his commissions for his family. Mark has a part time assistant who will not be able to be his Successor. He is hopeful one or both of his children will join him but is concerned about the future of the industry. In five years one of his children will be out of college and the youngest child could also follow Dad's footsteps a couple years later. If this all happens, they could be ready to begin a gradual ownership transfer in ten years. While his children could provide an ideal long term succession plan for Mark, he stills needs a short-term plan. We discussed some options to find a local group health professional willing to fill the Successor role. The fact a Successor generally desires to purchase the commissions they protect at the active broker's retirement, Mark will have to find a temporary fit and pay someone to do this work. Successors commit to protect commissions and sign a written agreement that outlines their annual responsibilities and when the agreement is activated in retirement or at the active broker's death, they perform a successful transfer of both commissions and client relationships, as well as payout the broker or their trust usually over several years. In some cases, our agency offers to perform as the Successor, and this is one case we can, for an annual fee, perform as Mark's Successor and do the work required, we would also know it is highly likely we would hand off the successor role should the children be ready someday. In this case Mark will likely be active for a long time so a temporary role is possibly the best fit. Mark is looking into his Successor options and has hope that his children will to join him in the business someday.



# COMMISSION COACH

PROTECT • GROW • SELL

Alejandro is a health broker looking for ideas to work with an older broker he knows. Alejandro is 30 and has known Robert, an older health broker, for several years. They work in different counties and each have clients with all lines of health insurance. The concern is how Alejandro will approach Robert to move their planning discussions from casual to formal. We covered what a commission protection agreement can do to help move to clarify interest and intent. I outlined the process to move to a formal agreement, what key points are included as a best practice, and what various purchase payout options can be considered. I offered to coach the process and then lined out what our process includes. Included are our health insurance specific and legal commission protection agreement, detailed suggestions on the deal points to negotiate, the current carrier transfer forms, and a client relationship transfer process along with the purchase details. The coaching fee we charge for our process was discussed and Alejandro understood if they hired a lawyer to draft an agreement, figure out the transfer process, and execute the process successfully, it would take hours and cost more than the fee we discussed.

In all the cases outlined, we respect how it takes time to consider the solutions and understand the importance of implementing a proven process. Many details need to be addressed. I spent more than 15 minutes with each broker and answered many questions, although many were similar each broker had their unique needs and concerns. It is an honor to help health insurance professionals learn about protecting, growing, and selling their commissions.

Phil Calhoun wrote the Health Broker's Guide to Protect, Grow and Sell Commissions. Available in an eBook at [www.healthbrokersguide.com](http://www.healthbrokersguide.com)

## CHECK OUT YOUR COMMISSION PLANNING OPTIONS:

✔ **Explore our website!**  
[www.commission.solutions](http://www.commission.solutions)

✔ **Call/Email Us**  
714-664-0311  
[phil@commission.solutions](mailto:phil@commission.solutions)

✔ **Click or Scan to set up your 15-minute free call**

