

How To Be A Successor Buyer Of Commissions

By Phil Calhoun & David Ethington

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The Growing Demand for Commission Planning

Phil Calhoun opened the webinar by highlighting the urgent need for commission planning among active health insurance brokers. “With Baby Boomers owning a vast majority of small businesses in the U.S., including health insurance agencies, the market for succession planning huge. In California alone, there are over 170,000 resident licensed health and life insurance professionals, many of whom will be seeking exit strategies in the coming decade.” Brokers must take action to protect their commissions, as those without a plan leave their commissions at risk of total loss. Ethington states “We help brokers protect their hard-earned health commissions with a plan that moves the threat from active to controlled. Our goal is to eliminate the risk of lost commissions through education on the importance of proactive planning for all brokers.

Regardless of the retirement timeline, having commissions unprotected will result in total loss when an unexpected life event occurs to the active broker.

With so many active brokers working in the industry, the need for an effective solution to protect commissions is huge. Education is necessary, but action must follow. For over ten years, we have provided our experience with commission planning. We personally and professionally seek to help colleagues with commission planning. Our articles, webinars, videos on our website (www.commission.solutions) lead to a free 15-minute, 1:1 call where a broker can receive answers to their planning questions. With the number of brokers still without a plan to protect their commissions, we have recently started an effort to grow our team of Preferred Successor Buyers interested in working with brokers who need a plan.

The health insurance industry is undergoing a significant transformation as Baby Boomer brokers approach retirement age, creating an unprecedented opportunity for succession planning and business growth. In a recent webinar, Phil Calhoun and David Ethington delved into their proven "Preferred Buyer and Successor" program, designed to help brokers protect, grow, and eventually sell their health insurance commissions. This article synthesizes the key points, strategies, and real-life stories shared during the session, offering a comprehensive guide for brokers seeking to secure their legacy and expand their business.

Introducing the Preferred Buyer and Successor Program

The "Preferred Successor - Buyer" program brings local health insurance professionals up to speed on our commission planning approach. This program equips brokers with the information needed to arrange a 15-minute appointment. During these appointments with our Preferred Successor – Buyer and their broker lead, we reinforce the need for planning and the value of a Preferred Successor – Buyer. When the broker agrees, next steps include:

- **Access to our essential tools and agreements** we use to help develop a written plan.
- **Guidance on identifying and approaching more Baby Boomer brokers** for succession planning.
- **Support through the entire process**, from initial discussions to legal agreements and client retention strategies.
- **Eligibility for more work, Preferred Successor – Buyers** become part of our team after completing the training. We promote them to California Brokers and connect them to brokers looking for a Successor or Buyer.

With a decade of experience, Phil and David are preparing for the huge number of Baby Boomers who need education and the tools to complete their commission protection agreements. The goal is to ensure buyers and sellers benefit from a fair, vetted, and effective process.

The Planning Process: Steps to Success

Our four-step process for commission and client protection process always begins with:

- 1. Be the Successor for an Active Health Insurance Broker:** Present as a licensed, certified Successor and line out the specific criteria you provide with our team to ensure a proven commission protection plan is provided.
- 2. Complete a Successor Agreement:** With our team leading the process, Successor and Active Broker work to clearly define the terms of succession, including payment structures and responsibilities.
- 3. Establish a Purchase Agreement:** We lead the way through the planning process which includes purchase price and payout period terms.
- 4. Implement a Client Retention Plan:** Another step in the planning process is the development of a client retention plan which is critical in the process.

Our agreements lead the industry, as over years of collaboration with hundreds of attorneys, CPAs, and industry advisors, we can confidently state we met the goal to ensure all parties have the protection needed.

Training and Support for Preferred Successor Buyers

The program offers a comprehensive two-hour training session, after which participants earn the "Preferred Successor Buyer" designation. This status links Preferred Successor Buyers with our team and opens doors to new business opportunities, provides access to expert support, and enables brokers to participate in a network of professionals dedicated to best practices in commission planning.

Key benefits of the training include:

- **In-depth education** on commission protection, acquisition processes, and client retention.
- **Access to legal tools and advisory support** for navigating complex transactions.
- **Ongoing marketing and lead-matching** to connect buyers with brokers seeking succession solutions.

The training fee is a modest investment compared to the potential growth and security it offers. Additionally, participants gain access to annual reviews, updated carrier transfer forms, and continued advisory support to address evolving needs.

Why This Matters: Protecting Legacies and Growing Businesses

Phil and David's approach is rooted in a genuine passion for helping brokers secure their financial futures and protect their families. By educating the industry on the risks of unplanned succession and providing a proven roadmap for transition, they aim to shift the narrative from loss and uncertainty to empowerment and growth.

Brokers who engage in commission planning not only safeguard their own interests but also position themselves as trusted advisors and problem-solvers for their peers. The program's collaborative, team-based model ensures that even complex cases involving estate planning, tax considerations, or unique business structures are handled with expertise and care.

Next Steps: How to Get Involved

For brokers interested in becoming a Preferred Successor - Buyer, the process is straightforward:

- **Attend the training session** to gain the necessary knowledge and designation.
- **Engage with the program's Subject Matter Experts in commission planning** and identify active brokers in need of succession planning.
- **Arrange the First Planning Call** which connects your active broker with our team to get answers to planning questions.
- **With Questions answered**, the next step is to engage with you and your active broker to develop the specific terms of your agreement with you as the active broker's Successor – Buyer.
- **Complete our comprehensive three-part agreement.** We provide all of the tools, the legal agreements, the commission transfer process, and the client retention plan. We support you and your active broker and facilitate your successful plan.

Phil and David also offer free 15-minute consultations for those seeking more information or personalized advice. Their goal is to build a statewide network of qualified successors, ensuring that every broker in California has access to effective commission protection and transition solutions.

The Preferred Successor - Buyer program presented by Phil Calhoun and David Ethington represents a best-practice approach to one of the most pressing challenges facing health insurance brokers today. By combining education, legal expertise, and a supportive professional network, the program empowers active brokers to protect their legacy, support their families, and continue serving clients for years to come. By matching younger brokers whom are qualified Successor – Buyers we help solve the commission planning process. The time to plan is now—before life's uncertainties make the decision for you.

To Learn More listen to our recorded Webinar:

<https://bit.ly/45ZM6qb>

For Active Baby Boomer Health Brokers, set your 15 minute FREE CALL to review your planning questions:
<https://calendly.com/healthbrokersguidetocommissionprotection>

For Young Brokers Looking to Grow, Learn more about the Preferred Successor - Buyer program with a FREE CALL:
<https://calendly.com/healthbrokersguidetocommissionprotection>



To learn more about commission planning options go to:
www.commission.solutions



Phil Calhoun is the owner and publisher of California Broker Media, and he owns Integrity Advisors, a health insurance agency. Phil started Commission.Solutions to provide coaching for health insurance professionals on how to protect, grow and sell health commissions. Phil is an active member of several insurance associations including the California Association of Health Insurance Professionals (CAHIP) and local chapters in Orange County, Los Angeles, San Diego and Inland Empire Health Insurance Professionals. He serves on board for the Exit Planning Institute.

[CLICK HERE to arrange a no obligation 15-minute coach session](#)
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David Ethington is VP of the Medicare Division and director of Broker Relations with Commission Solutions, part of Integrity Advisors. His work has excelled due to his commitment to providing the best service to both health clients and health brokers. David respects the hard work it takes to build a book of business and enjoys working with retiring brokers and their families. David has participated in the commission protection process for seven years. He's also involved in acquisitions, especially in the broker relationship transfer of commissions. David lives in Orange County with his wife and their cats. He is an avid runner and completes several long-distance events annually.

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