

Understanding How Your Insurance Broker Is Paid

Clear, Transparent Information for Clients

You Never Pay Extra to Work with a Broker

Insurance brokers are paid **directly by the insurance company**, not by you.

Your premium is **the same** whether you use a broker or buy a plan on your own.

Why Do Insurance Companies Pay Brokers?

Insurance companies use brokers as their trained, licensed advisors in the community.

Brokers help people:

- Understand coverage options.
- Compare plans.
- Enroll correctly.
- Use their benefits.
- Update or change coverage when needed.
- Resolve billing or claims questions.

This saves the insurance company time and ensures you get proper support.

Types of Broker Compensation

Brokers may receive the following, depending on the type of insurance:

1. Initial Commission

Paid once for helping you enroll in a policy.

2. Renewal or “Service” Commission

A smaller, ongoing payment for ongoing support, including:

- Annual coverage reviews
- Beneficiary updates
- Claims assistance.
- Help with billing or plan changes.

3. Regulated Compensation (Medicare & Some Health Plans)

For certain products, like Medicare plans, commissions are set by federal or state regulations.

This ensures brokers are compensated fairly and consistently, regardless of which plan you choose.

Your Cost Does Not Change

Using a broker **does not increase your premiums**.

Rates are filed with state and federal regulators *before* commissions are added.

If a broker is not involved, the insurance company simply keeps the amount they would have paid the broker.

Your Broker Works for You

Brokers are licensed professionals who must follow strict rules:

- Act in your best interest
- Recommend coverage based on your needs.
- Be transparent about compensation.
- Maintain continuing education and compliance.

You receive guidance, service, and support—**at no extra cost**.

Why This Benefits You

When you work with a broker, you get:

- A personal advisor
- Annual plan reviews
- Help during life changes (retirement, Medicare, job changes, etc.)
- Assistance if issues arise.
- Education to make informed decisions.
- Ongoing advocacy

You gain **expert support for the same price you'd pay on your own**.